The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japanese Diet Approves Huge "War" Budget---Open Chahar Drive

ARTICLES IN THIS ISSUE

S. M. C. and Ricksha Exploiters Never Thought of This!
Japan's House of Peers Approves the "War" Budget
Beaumont Forces Vote in the S. M. C. Election
The Bus Company Once More Pays No Dividend
American-Soviet Cooperation in Siberian Development
New Life Movement and Other Developments on China's Political Stage
Japanese Resume Military Operations on Chahar Front---Intend to Hold Dolonor
Physical and Historical Foundations of the New Far East---a Book Review
Marshal Chang's Northeastern Generals Establish Headquarters in Southern Honan and Hankow
(By the Review's Hankow Correspondent)
Outlook of Japan's Position in the World Is Pessimistic
(By the Review's Tokyo Correspondent)
China's New Foreign Policy . . . . . By C. Y. W. Meng
Hopeful Elements in Chinese Economic Life . . . . . By Arthur G. Coons
Reflections on Henry Pu Yi's Enthronement . . . . . By Paul K. Whang

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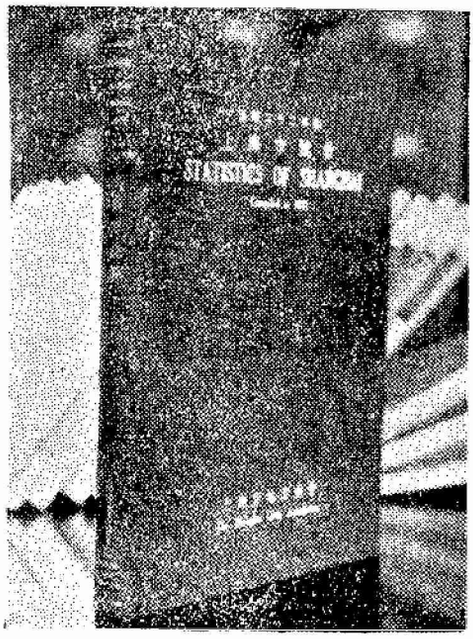

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Contents

Editorial Paragraphs

S. M. C. and Ricksha Exploiters Never Thought of This! 117
American-Soviet Cooperation in Siberian Development 118
The Bus Company Once More Pays No Dividend 118
Beaumont Forces Vote in the S. M. C. Election ... 119
Japan's House of Peers Approves the "War" Budget 120

Special Articles

New Life Movement and Other Developments on China's Political Stage 124
Japanese Resume Military Operations on Chahar Front—Intend to Hold Dolonor 128
China's New Foreign Policy...By C. Y. W. Meng 131
Outlook of Japan's Position in the World Is Pessimistic 133
Reflections on Henry Pu Yi's Enthronement..... ..... By Paul K. Whang 136
Hopeful Elements in Chinese Economic Life..... .....By Arthur G. Coons 138
Marshal Chang's Northeastern Generals Establish Headquarters in Southern Honan and Hankow... 148
Who's Who in China..... 149
Men and Events 150
New Books of Interest in the Far East 152

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

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WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

S. M. C. AND RICKSHA EXPLOITERS NEVER THOUGHT OF THIS!

THE correspondent for *Reuters* service at Canton sent a short news item to the Shanghai newspapers this week which should have received more attention due to its bearing on the ricksha problem here. It told of the action of the Canton municipal authorities in deciding to abolish the sedan chair on the ground that it is contrary to the spirit of modernism and inhuman. Persons who violate the new law are to be subject to severe penalties. Owing to the narrow streets in the old city of Canton sedan chairs were used instead of wheeled vehicles, but despite the widening of the streets and the modernizing of the city the sedan chair has continued, the reasons being cheapness of human labor and "old custom." Now, however, the Cantonese apparently have realized that the carrying of sedan chairs is a degrading form of labor and they are to be abolished.

It apparently never has occurred to the authorities of the International Settlement that a similar sentiment is growing among the Chinese people in this part of China—that the man-drawn ricksha is an antiquated vehicle which is inhuman and degrading. The Chinese are fully aware of the fact that the ricksha has been practically abolished in the large cities of Japan due to the introduction of the cheap cruising taxicab. Obviously the Chinese do not like to have foreigners who have been in Japan calling attention to the fact that Chinese human beings are still used as beasts of burden in this country, while the Japanese have been delivered from this form of degradation.

The fact that the Cantonese have taken the lead in abolished the sedan chair is bound to have an effect on public opinion among the Chinese here, hence it is more than likely that something will be heard on this phase of the subject here. Thus far the responsible Chinese in the community, the educators, businessmen, members of chambers of commerce, bankers associations, street unions and so on have had little to say regarding the controversy which has been raging in the newspapers over the ricksha problem—but this doesn't mean that they are not giving the matter serious

thought. The intelligent thinking Chinese are also aware of the fact that despite the clouds of propaganda regarding the restriction of the ricksha there is a general lack of sincerity on the part of the municipal authorities who really do not intend to do anything about it. They also are aware of the fact that lurking in the back-ground are numerous exploiters of human labor, some of them foreigners, who are altogether too closely connected in one way or another with the men and interests who rule the municipality.

But the discussions and propaganda have not been altogether wasted for they have called the attention of the Chinese people generally to the exploitation of their people as beasts of burden in a city ruled by foreigners, hence when the Chinese finally become stirred up on the question they will know where to place the blame. That the ricksha problem contains plenty of ammunition for an explosion apparently is generally realized by everybody—excepting those who have it in their power to solve it.

AMERICAN-SOVIET COOPERATION IN SIBERIAN DEVELOPMENT

GEORGE HANSON, former U. S. Consul-General at Harbin, visited Vladivostok on his way to his new post at Moscow. In an interview issued through the Soviet *Tass* news service on March 15 Mr. Hanson referred to economic development projects at the Soviet Far Eastern port of Vladivostok and stated that the population of the port had doubled in recent years. He also stated that the establishment of normal relations between the U. S. A. and U. S. S. R. was certain to influence the development of trade between Siberia and the American Pacific coast ports, particularly between Vladivostok and Seattle which are to be connected by direct steamship line. As a matter of fact freighters from Seattle and other Pacific coast ports have already called at Vladivostok with cargoes. Two such boats which stopped at Yokohama for fuel on the return voyage were detained by the Japanese police allegedly because they had steamed too near some Japanese fortified zone, but the actual reason for the detention was to enable the Japanese police to quiz the ships' officers regarding the cargoes they had carried and about conditions at Vladivostok. The Japanese thought they had completely stifled Vladivostok by cutting the Chinese-Eastern railway at Pogranichnaya, thus blocking the shipment of north Manchurian products to the sea by way of the Russian port. The Japanese also thought they had delivered another effective death-blow to the Russian port by building the branch railway connecting the Korean port of Seishin with the Manchurian railways, since Seishin is located on the northeastern Korean coast about 200 miles south east of Vladivostok. But despite these efforts it seems that Vladivostok is to continue to grow and as Mr. Hanson stated the establishment of direct trade with the United States will greatly help the situation. M. Lavrentieff, Soviet party secretary for the Far East, stationed at Habarovsk, in a recent interview, announced that the Russians are engaged in the construction of a new trunk-line railway to the Pacific—the Baikal-Amur railway and in addition are now rushing the double-tracking of the Trans-Siberian line for a further stretch of 400 miles from Urusha to Bochkareva which is the junction point on the Amur line for the important city of Blagoveshchensk. Mr. Lavrentieff stated that a further railway is also being constructed eastward from Irkutsk, the destination not being announced, but possibly along the Outer-Mongolian border. The Japanese army authorities have constructed more than 500 miles of new railway and some 1,500-miles of new motor-roads in the vicinity of the Siberian border since their occupation of Manchuria in 1931, all listed under the heading of "military necessity," but the Russians apparently do not intend to be caught napping from the standpoint of development projects in the Far East. Although Siberia does not possess the resources of Manchuria the Russians have one important advantage over the Japanese. The Russian development projects are all being constructed on on their own soil while the Japanese are compelled to spend their millions in alien territory to which they possess no legal title and which will quickly revert to its rightful owners when the Japanese troops are withdrawn.

THE BUS COMPANY ONCE MORE PAYS NO DIVIDEND

LAST week, the majority of the shareholders of the Shanghai Tramways—a very profitable concern—decided that the head office should be transferred from London to Shanghai. During this week the shareholders of the China General Omnibus Co., Ltd. held their annual meeting, and once more they had to go without any dividend. It is becoming a matter of increasing comment that this one transportation company in the International Settlement of Shanghai, having an exclusive franchise, should go year after year without paying a dividend. The organizers and managers of the Bus Company are Arnhold & Co., one of the oldest of Shanghai mercantile establishments (now British, but up until the time of the World War, German, the old name being Arnhold, Karberg & Co.) An examination of the accounts shows an item of interest of $112,029.01 —evidently eight percent per annum (approximately) on a sum of $1,439,209.52, shown as being owed to E. D. Sassoon Banking Co., Ltd. The Sassoon banking house is very closely affiliated with Arnhold & Co., the managers of the Bus Co. All three organizations have offices in Sassoon House. F. R. Davey, a director of the Arnhold Co., is also a director of the Sassoon Banking House. C. J. Meager, who is a managing director on the Arnhold board, is a manager with the Sassoon banking house—or to put the matter

bluntly, the Sassoons "own" the Arnhold Company, this being one of the several investments they made in China during the past decade, in pursuance of their policy of withdrawing their capital from Britain and India and investing it in the International Settlement of Shanghai, where neither British nor Chinese tax laws apply.

Money in Shanghai at present is working overtime when it pays six percent. Banks are paying one or two percent on current accounts. If there were some way to induce the Sassoons to decrease the interest rate on $1,439,209.52 from eight to six percent there would be a saving in interest of something like $28,700 on this item, and this would be sufficient to pay the shareholders a dividend of one percent (on a capital of $2,797,-202.80)—and they would doubtless be glad to get it, as they haven't received anything for the last four years.

BEAUMONT FORCES VOTE IN THE S. M. C. ELECTION

THE small and select group which dominates the affairs of the Shanghai International Settlement always regards the situation as ideal when there are only nine nominees for the nine posts on the Municipal Council because that obviates the necessity for holding an election. When there are only nine candidates to fill nine posts the retiring Council can simply hold a meeting, declare the new members elected and that's all there is to it. A public election, even when all the nominees are highly respectable as Shanghai standards go, is generally regarded as undesirable for there always is the possibility of unexpected developments because of nationalistic rivalries which exist here in exaggerated degree. The members of the Municipal Council which administers the affairs of the Settlement, a city within a city containing a population of a million people, do not represent the public but special vested interests in the Settlement. For example, H. E. Arnhold, although a British subject is not regarded as a representative of the British public, but as a representative of the so-called Sassoon interests which have heavy investments in real estate, hotels, office buildings and other things located in the Settlement. Arnhold's chief interest on the Council is to keep down taxes on the Sassoon properties and prevent the enactment of regulations which might interfere with the activities of the Arnhold-owned bus company which monopolizes the public streets.

The chief foreign interests which dominate the affairs of the Settlement are controlled by the British, Japanese and Americans, the British and Japanese being about equally divided with the Americans in a minority position. But the British always have controlled the affairs of the Settlement due to their larger voting strength, hence the personnel on the Council usually has been five Britons, two Japanese and two Americans. Several years ago the Chinese, who outnumber the foreigners about ten to one and whose investments are greater than those of all the foreigners, finally forced the foreigners to give them five places on the Council, but despite this the foreigners, particularly the British still control the Settlement and municipal activities. The public services are largely staffed by Britons and British standards prevail, especially in the purchase of materials. But in recent years the British position has not been so secure because of the increasing nationalistic strength of the Chinese and the increasing voting strength of the Japanese, hence the British in order to maintain their position have been accustomed to playing off one group against another, the latest effort in this direction being the blocking of the Chinese in their attempt to obtain four additional members on the council which would have given them almost equal strength with the foreigners. In taking this action the British undoubtedly had the support of the Japanese whose voting strength is now practically equal to that of the British. Ordinarily the Americans accept their minority position without much protest despite the fact that American investments in the Settlement have been greately increased in recent years.

In an effort to overturn this well-balanced set-up, A. W. Beaumont a Belgian, has announced his candidacy. Beaumont is the publisher of a local "hell-raising" weekly paper, *The Spectator*, which for a considerable period has been exposing certain unsavory phases of life in the Settlement and also in the private affairs of certain interests in the Settlement. In his latest issue he declared that the Shanghai Municipal Council organization "is an antiquated, moth-eaten affair, more concerned with secret bickerings and the protection of a few vested interests than a policy for the preservation through unity of all Shanghailanders of this great metropolis." He also ventured the opinion that the conflict of interests in Shanghai contains the seeds of a world war in the Orient, basing this opinion on what occurred here in the Japanese "undeclared" war in 1932. In his platform, the first to be made public by any of the candidates, Beaumont advocated admission of newspaper reporters to meetings of the Council and complete publicity of Council proceedings, including a record of votes of councilmen on matters of public interest. He also proposed that no decision be made by the Council affecting the political status of the Settlement without referring same to the foreign ratepayers for an expression of opinion, but said nothing about referring the same issue to the Chinese ratepayers in the Settlement who obviously would be interested.

Under ordinary conditions Beaumont would not receive sufficient votes to have any material effect on the outcome of the election, but in the present circumstances his candidacy has caused considerable uneasiness because of the widespread discontent on the part of the public with the present personnel of the Council, most of the members of which are regarded as "stuffed-shirts" with little or no interest in the welfare of the community as a whole. Whether Beaumont, if

elected, would help the situation is questionable, but many persons argue that his election couldn't make the situation any worse hence there is a possibility that he may receive a considerable vote, possibly sufficient to overturn the present set-up. If Beaumont should be elected it would not be due to any particular love for him on the part of voters but rather an expression of disgust on the part of the public toward the present membership of the Council. In view of this general feeling of disgust, particularly manifest in the American and European communities sufficient persons may vote for Beaumont in order to prevent the election of some member of the regular slate; or the Japanese who always vote *en masse* as their officials dictate, might decide to support Beaumont in order to even scores with the British and Americans whom they dislike.

Aside from the uncertainties involved in Beaumont's candidacy there is one other new candidate who deserves the support of the community, particularly the Americans and the British. We refer to J. W. Carney who failed in the last election allegedly because of the opposition of the Japanese. So far as we are aware Carney is the only candidate on the British-American-Japanese slate who has displayed any independence of thought on municipal affairs or evinced any interest in the welfare of the community as a whole. Regardless of what happens with regard to the Beaumont "thunderbolt" there is genuine hope that Carney may be elected.

Japan's House of Peers Approves the "War" Budget

THE Japanese House of Peers, upper branch of the Imperial Diet, on March 14 approved the new budget providing for the record expenditure of Yen 2,112,000,000, largest governmental appropriation in the history of the nation. The budget includes two important items, Yen 487,000,000 for the Navy and Yen 449,000,000 for the army, totaling Yen 936,000,000, which was responsible for charges on the part of members of minority factions in the Diet that the appropriation was "military throughout," and designed for war purposes. The appropriations for the two branches of the national defence amount to about 45 percent of the total budget but when other items are added such as Yen 54,000,000 covering special awards to officers and men participating in the Manchurian and Shanghai campaigns it brings the military total up to somewhere between one-half and two-thirds of the national expenditure for the fiscal year 1934-1935. Since the budget already had received the approval of the House of Representatives on February 14, it means that the Japanese nation is now committed to a military program which leads obviously in the direction of war. However, the Japanese military leaders in discussing the situation do not put it so baldly as that—they say they are preparing to meet the "Crisis of 1935-1936."

Imperial sanction to the "war" budget for 1934-1935 was granted on March 20, following which the Government promulgated the law, thus making it official and legal. On the same day the *United Press* issued two significant reports from Tokyo, one of which referred to the Saito Cabinet's attitude toward the Naval Disarmament Conference scheduled for 1935. According to the report the Japanese Government intends to insist upon Japan's right to build any type or class of ship within the total tonnage fixed by the forthcoming Conference. In the event other Powers disapproved of this program Japan "would not hesitate to withdraw from the Conference." In that event Japan would proceed to carry out her own ideas of warship construction after the expiration of the Washington and London agreements to which Japan is a party. The other *United Press* dispatch stated that the present Cabinet headed by Premier Admiral Viscount M. Saito would probably continue in office despite serious criticism of its activities on the part of the public and a strong faction of young officers in the Army. It was claimed that Prince Kimmochi Saionji, sole surviving Genro, opposed any Cabinet change at this time because of the critical situation. Premier Saito was quoted as declaring that the creation of a "Fascist" government at this time "might plunge the nation into war withing the next few years." K. Suzuki, head of the Seiyukai or majority party in the Diet, was quoted as being in accord with the Premier on this issue.

The passage of this enormous military appropriation obviously places a tremendous burden on the Japanese people, hence many close observers believe that it is here that the answer will be found to such questions as whether or not Japan will provoke another foreign war or stage a domestic revolution. In order to avoid further taxation which would embarass the munition manufacturers who constitute the center or foundation of Japan's present industrial boom, it will be necessary for the present finance minister, Mr. Takehashi to dispose of approximately Yen 1,000,000,000 worth of "red-ink" bonds to meet the national expenditures. This will bring Japan's national debt to approximately Yen 10,000,000,000, of which Yen 8,000,000,000 is domestic and Yen 2,000,000,000 foreign obligations. The interest on this debt figured at 5 percent will amount to Yen 500,000,000 annually, the seriousness of which is apparent when it is realized that Japan's total governmental revenue from taxation for the current year will not exceed Yen 690,000,000, thus leaving only Yen 190,000,000 available from the taxation fund for other governmental purposes after the payment of interest on the national debt. Japan's total national wealth, according to the semi-official year book, is estimated at Yen 110,188,000,000, hence the national debt amounts

to somewhat less than 10 percent of the national assets of the country. According to Aiichi Nishinori, financial editor of the *Tokyo Nichi-Nichi*, the present budget expenditures when added to other basic expenditures of the nation, will bring the total to Yen 2,800,000,000 or more than double the ordinary revenue for the current year which is estimated at Yen 1,300,000,000.

In the course of an editorial attack on the "war budget" Mr. Nishinori repudiated the claim that an expansion of military expenditures would stimulate productive industry. He declared, "The present state of affairs has been brought about by shrinkage of ordinary revenue and expansion of ordinary expenditures. Between the years 1926-1927 and 1933-1934, budgets of ordinary expenditures have increased by Yen 282,000,000. The decrease was caused by all round shrinkage of income from taxes and duties, public undertakings and state properties because of the depression. The increase on the other side of the sheet came about because of the greater expences in connection with public loans and pensions. The danger of allowing this unhealthy financial condition to continue or of endeavering to put off the evil day of reckoning by meeting the annual deficit by means of further expansion of the national indebtedness should be sufficiently clear."

Prior to the opening of the present session of the Diet numerous conferences were held by the most important cabinet ministers for the purpose of reaching an understanding on the questions of domestic relief and preparation for the so-called foreign crisis. But while the military and naval ministers succeeding in establishing their claims for funds covering "extraordinary military expenditures," no understanding was reached on the question of domestic relief. According to the *Reuter* report from Tokyo on March 14 telling of the passage of the budget by the House of Peers it was stated that an item amounting to Yen 125,000,000 had been included for this purpose. But it is extremely doubtful whether this small item will be of much avail in meeting the problem for farmers' delegates now in Tokyo appealing for relief claim that farm lands and properties valued at Yen 2,500,000,000 have outstanding mortgages totaling Yen 5,500,000,000. The farmers claimed that the total value of their products this year figures out at only Yen 120 for each household, which means that incomes per farm family now amount to only Yen 10 a month. Genjiro Sugiyama and Tanizo Koyama, spokesmen of minority factions in the House of Representatives, declared that the passage of the military budget without making ample provisions for the farmers, small merchants and industrialists, termed the "real power behind the gun," would give rise to serious domestic complications and would tend to make even greater the disparity between the rich and the poor. Koyama charged that the passage of the extraordinary military budget "would give rise to a terrible crisis both at home and abroad." The military however, held their ground, and insisted that the military expenditures would stimulate prosperity through development of the munitions industry. As proof of this the war and navy ministers announced that 96,000 farm boys would be drafted into the munition plants and ship-yards as apprentices.

On Feb. 15, the day following the passage of the Budget in the House of Representatives, the *Japan Times* (Tokyo) published a report of the Ministry of Home Affairs which contained figures showing how the recent rise of the munitions industries had greatly reduced Japan's unemployed. It was claimed there are only 392,294 unemployed in the entire country. In the session of the Diet on Feb. 9 General Sanjuro Hayashi, War Minister, declared that Japan is now completely independent of foreign assistance in the conduct of its military industries. The rapid rise of the munition industry in Japan is best indicated in the figures showing imports of iron and special steels. In 1931, the year of the Manchurian intervention the imports of special steel amounted to only Yen 884,981, but in 1932 it had jumped to Yen 2,096,437 and in 1933 to Yen 4,865,018. Japan's imports of pig-iron showed an even more remarkable increase in this period of military expansion. It rose from Yen 11,000,000 in 1931 to Yen 12,000,000 in 1932 and Yen 25,000,000 in 1933 while Japan's imports of iron in all forms jumped from Yen 48,000,000 in 1931 to Yen 136,000,000 in 1933. Imports of scrap-iron jumped from Yen 7,000,000 in 1931 to Yen 38,000,000 in 1933, it being reported in Tokyo that Japan had bought up practically all of the available scrap-iron in the world, the scrap-iron and steel being used with the low-grade Manchurian and China pig-iron in the production chiefly of shell casings and such materials. In addition to these items Japan also purchased for breaking-up purposes, large numbers of old ocean-liners and out-of-date cargo vessels, the object being to obtain the metals. Practically all American ships docking in Japan contain large cargoes of scrap-iron, steel, brass and copper which are unloaded chiefly at Kobe.

The military elements have thus won out all along the line, hence Japan is now well on the road to further adventure, which, as stated in the foregoing leads almost inevitably in the direction of further war on some front. It is only necessary to read the daily reports in the Japanese newspapers to sense the coming crisis for the military-financial complications have had a natural reaction in the country's politics, evidence of which exists in the frequent assassinations of public men. Six cabinet ministers have resigned from the government since the present Saito ministry was formed in 1933, and three of the resignations have been because of alleged financial irregularities. Kadzumi Okamoto, former member of the Seiyukai party in the House of Representatives who brought charges alleging that certain cabinet ministers had distributed bribes among 137 members of the Diet, is now himself

the object of similar charges of financial irregularities. It was claimed that in September, 1932 Okamoto went to Mukden and on the strength of having obtained a lease on land seized from fromer Chinese officials near the Mukden railway station, he raised a fund of Yen 85,000. According to the allegation the land was worth only about Yen 1,000, but regardless of the real value of the land it was shown how certain Japanese politicians and adventurers have taken advantage of Japanese military occupation of Manchuria to enrich themselves and worse have used their ill-gotten gains in further political adventuring in Japan proper. It is common talk in Tokyo among foreigners and certain classes of the Japanese that the present government probably is the most corrupt in the world, a sentiment which is fully exploited by the military elements in furtherance of their plans for the creation of a military fascist dictatorship which would involve the abolition of the political parties and the placing of severe restraint on the activities of politicians and so-called political-merchants and capitalists.

As an example of the demoralization which prevails in certain phases of Japanese society, it was disclosed in connection with the charges brought against Mr. Hatoyama the Minister of Education, that it long had been customary for school teachers in many parts of the country to pay bribes to higher officials in order to obtain promotions and there were numerous charges that publishers of text books and manufacturers of school supplies had been accustomed to bribing educational executives in order to have their books and supplies approved for use in the schools. In many parts of the country the depression has made it impossible to pay the salaries of teachers and this in turn has been responsible for the widespread prevalence of so-called "dangerous thoughts" among both pupils and teachers. The number of persons held on charges of harboring "dangerous thoughts" has been reported as high as 12,000 while the number who have been arrested on these charges and held for investigation probably is three times as large. Actual figures however, are not known because the newspapers are prevented from publishing the news until many weeks or even months have elapsed after the actual arrests. Also it should be stated that not all of those arrested for harboring "dangerous thoughts" are communists—they may have merely protested against the monopolization of most of the government revenues by the militarists while leaving other classes of the population out in the cold.

On March 10 the Kokumin Domei, minority faction, caused the introduction of a resolution of non-confidence in the Diet against the Saito Cabinet. The following is a verbatim report of the debate on the subject which appeared in the *Japan Chronicle* (Kobe) on March 10:

> "Dr. Ichiro Kiyose (Kokumin Domei), explaining the resolution, said that there are roughly three reasons for not confiding in the present Cabinet. One is that the Government has made no serious study of why popular ideas have become degenerate at the present critical national juncture. A second reason is that the present Cabinet has done practically nothing since it was formed. The other reason is that the Cabinet, as a whole, ought to be responsible for the charges of irregularities which forced several members of the Cabinet to resign.
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> "Proceeding, Dr. Kiyose said that the social unrest to-day is deeply rooted in the economic and political life. Unfortunately, the Premier and other Ministers are incompetent to see where the true causes lie. The present Cabinet has taken steps to punish those responsible for the May 15th affair, but it has betrayed a grievous lack of knowledge as to what really caused the deplorable affair. After attacking Mr. Takahashi, Minister of Finance, for his lack of understanding of the agrarian problem, the speaker charged the Government with want to faith in its own policy, pointing out that it made a radical change in the draft Election Revision Bill at the first puff of opposition from Privy Councillors. It is out of the question for such a Cabinet to be able to reform politics.
>
> "The present Cabinet has achieved nothing noteworthy during the two years of its existence. Anything it has done has been forced on it, and it was done reluctantly. Most of its undertakings have been left unfinished and incomplete. After referring disparagingly to the inadequate monetary measures and relief measures for the farmer, the speaker said that in only 35 towns and villages, out of a total of 12,000, have debt settlement guilds been organised under the Debt Settlement Law, which the Government did so much to push through both Houses.
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> "For all charges of irregularities laid against the members of the Cabinet, Dr. Kiyose went on, the whole Cabinet ought to be held responsible. Since the present Cabinet was organised, six Ministers have resigned, of whom three were implicated in charges of irregularities. If the Ministers whom the Premier recommended to the Throne, and who were under his supervision, tendered their resignations in such circumstances, it is only right that the Premier himself should feel deep responsibility. Had there been sufficient supervision on his part, there might have been no such cases as those of Baron Nakashima, former Minister of Commerce and Industry, and Mr. Hatoyama, former Minister of Education. The speaker also referred with much bitterness to the Red primary school teachers case in Nagano prefecture, the educational scandals in Tokyo and Okayama, the unwarranted profit given to the Yokohama Specie Bank, etc.
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> "In conclusion, Dr. Kiyose said that although within the House only thirty members are impeaching the Government, the atmosphere outside is filled with protest against it.
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> "MR. KANICHIRO KAMEI (Labour) secured the floor on the pretext of interpellating regarding the introducers of the non-confidence resolution, but, once on the rostrum, he started attacking the Government, to the chagrin of the Ministerialists, who kept urging the President to warn the speaker.
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> "The President warned the speaker, reminding him that his speech partook of the nature of debate. As his warning was ignored, the President stopped Mr. Kamei.
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> "MR. KUNIMATSU HAMADA (Seiyukai), in the debate, opposing the non-confidence resolution, said that he himself finds many points of dissatisfaction in the Government policy, but the country is now beset with many difficult problems. In international relations and in the field of national economy, there are many things to be done at once. In such circumstances, it is improper to introduce the non-confidence vote even before the new Budget, which furnishes the basis of State administration, is passed.
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> "MR. SEIGO SUZUKI (Kokumin Domei), supporting the non-confidence resolution, declared no Cabinet has ever been so incompetent as the present one. The present Premier makes a very poor contrast with the late Mr. Hara and Count Kato. Whatever Premier

Saito says in the House is not taken seriously, or rather accepted with a sneer, but the late Mr. Hara and Count Kato were listened to attentively. There was always tension when they were speaking. Admiral Saito's replies to interpellations might be coming from a robot devoid of soul.

"Mr. Suzuki's mordant and bitter attacks evidently ruffled the serenity of the usually self-possessed Premier, who, with his face somewhat flushed with excitement, played with papers with his fidgety right hand.

"Proceeding, Mr. Suzuki pointed out that the speeches made by Mr. Tokonami (Seiyukai) and Mr. Machida (Minseito) at the threshold of the present session of the Diet implied impeachment of the present Cabinet.

"Next, turning his hostile attention to Mr. Takahashi, the Finance Minister, the speaker bitterly remarked that it is not that the Minister cannot find money, but that there is somewhat wanting in his brains. The bankruptcy of Mr. Takahashi's antiquated economic knowledge is at the root of all the evils. His tirade proceeded in regard to the alleged irregularities, and other matters, and impatient Seiyukai members noisily interrupted the speaker.

"Mr. Suzuki concluded by declaring that the Premier can do the State service by quitting office as quickly as possible.

"MR. TAKATARO SAKUDA (Minseito), opposing the resolution from his seat, said that the situation at home and abroad is so serious that the House cannot afford to question the responsibility of the Cabinet on the very weak grounds that the Kokumin Doshikai members advance.

"The non-confidence resolution was put to the vote and lost, the Kokumin Domei members and two Labourites alone supporting it."

Sir Frederick Maze Departing Shortly on Home Leave

Sir Frederick Maze, Inspector-General of the Chinese Maritime Customs is planning to depart for Great Britain early next month on home leave, his first since 1921. Sir Frederick will be absent from his post for only five months. L. H. Lawford, Chief Secretary, will officiate during the absence of the Inspector-General. Sir Frederick has frequently applied for leave in recent years but it was only recently that the Chinese authorities considered it advisable for him to be absent from his important post even for a short period.

Municipal Council Issues Survey of 1933

The Shanghai Municipal Council has issued a Survey of 1933. Prominent among the subjects discussed is the Greyhound racing case, in which the British Supreme Court dismissed a suit against the Council for damages. Note is made of the renewal of the Special District Court agreement. Discussing the National State Lottery it is noted that, as under Chinese law the sale of these tickets is legal, the Council decided to authorize their sale in the Settlement. Considerable space is devoted to the ricsha question, a subject which is now the center of heated discussion. Under film censorship, note is made of the fact that the Council did not approve of a move to have paid censors. A long review of industrial conditions, particularly as regards regulation, is contained in the report. It is noted that a large proportion of the disputes were settled by direct negotiation between the employers and the workers. The various public utility companies, the Waterworks, the Telephone Co., Power Co., Tramways and Bus Co. all had negotiations with the Municipality during the year. It is recorded as regards the bus company that there has been a considerable abatement in the smoke nuisance, created by the use of Diesel engines in the buses.

Chinese Journal Discusses Evils of Ricsha Contractor System

The *China Times* comments: "The contractor and subcontractor system is the main obstacle to a ricsha puller's earning a livelihood. In the so-called ricsha puller's petition published, nothing was said about the contractor system. It only states that "it is an established custom for somebody to make a profit from the contracting system." Can not something be done to alter this custom? It is unreasonable of the pullers to favor the ricsha owners and to protest against the mistakes of the S.M.C. The ricsha pullers were silent towards the protest of the ricsha owners; this shows that the pullers are being made use of by the ricsha owners.

"The Report of the Ricsha Committee of the S.M.C. does not meet with the present pressing demands of the thousands of pullers. The present measures adopted by the S. M. C. to withdraw 2,000 ricsha licences each year, will give no relief to the pullers. This question is important because it affects the peace and welfare of the whole city. The S.M.C. should not be the only organ to undertake this responsibility. The City Government of Greater Shanghai must organize a joint Ricsha Committee committee with the Settlement and Concession authorities, so that fundamental measures for the relief of ricsha pullers might be devised. The 'howling wolves' should be annihilated and the pitiful 'lambs' should be given relief.

Ricsha Pullers Oppose Elimination of Vehicles

The Shanghai Ricsha Pullers Association in a letter during the week to the Shanghai Rotary Club asked that the Rotarians to speak to the authorities on their behalf for the establishment of more factories to assimilate them as workmen. But before anything is done, they ask Rotarians to refrain from advancing any proposals implying the eventual elimination of ricshas—so as not to jeopardize the livelihood of over 80,000 ricsha pullers in the Settlement. This letter to the Rotary Club is typical of the attitude of the ricsha coolies, who while appreciating the fact that they are exploited, see in the Municipal Council's proposal principally the feature of elimination of the vehicles—a policy to which they strongly object.

The Shanghai Municipal Council resolved to appoint a paid Board of three persons to supervise the ricsha service, giving it power (subject to Council confirmation) to cancel licences, to issue licences to new organizations or individuals, and to be responsible for the issue or cancellation of pullers' licences.

Strike at Kailan Mines---Clash with Police

One more of a gradually increasing number of disturbances in the Kailan mines (British owned) is to be recorded. These mines are located in the so-called neutral zone and are one of several choice industrial enterprises on which the Japanese are casting longing eyes. Tongshan is at present under martial law. Following the arrest of two agitators last week while they were addressing a meeting of miners, a crowd of workers conducted a demonstration outside the police-station where they were being held, demanding their release. The two men were subsequently liberated without any further trouble. A large body of miners surrounded the offices of the Kailan Administration at Tongshan, March 19, smashed the windows of the power-house, stopped the winding engine, put out the fires in the boilers and sealed-up the travelling road underground. The miners are making various demands. In a clash between the Chinese police and the strikes several workers were injured, some possibly fatally. Work has ceased in the mines.

China Sends Note to U. S. Legation on Treaty Revision

The Chinese Foreign Office March 7 despatched a note to the American Legation concerning the revision of the Commercial Treaty between China and America.

The Foreign Office recently had received a reply from the American Legation asking for details of the proposed revision and thereupon the Chinese Foreign Office dispatched another note detailing the points for revision.

New Life Movement and Other Developments on China's Political Stage

THE inexorable struggle between the forces of disruption and of consolidation has continued its course during the week under review, with a striking balance in favor of the latter. While the Tibetan invaders, the Northwest rebel hordes under Gen. Sun Tien-ying, the fresh Communist outbreaks in Fukien and the ravaging activities of the "Dark Horse" Liu Kwei-tang in Central China represent the chief factors of disruption, Gen. Chiang Kai-shek's newest attempt at consolidation in the form of the so-called "New Life Movement" radiating from his Field-Headquarters in Nanchang tends to become a rallying point in all provinces within reach of his influence. The movement itself is really nothing more than "Old Wine in a New Bottle," nevertheless it represents something indigenous to China and is easily understood and appreciated. It may prove a check to the forces of disintegration or it may end in empty words. Its success or failure hinges upon the sincerity or lack of it on the part of those who have initiated and promoted the movement. The movement has apparently received a wide initial reception among the people and responses to it have been heard in various quarters, particularly in Nanking, Peiping and Shanghai, where authorities echoed Gen. Chiang's call with considerable enthusiasm.

An important conference was held during the week at Nanchang, where leaders of the Government including President of Legislative Yuan Sun Fo, Minister of Finance H. H. Kung and high officials of many provinces gathered and conferred with Gen. Chiang Kai-shek. The purposes of the conference are not known, but it is gathered that discussions held there may lead to some ministerial changes in Nanking and the introduction of reforms in the provinces.

For the time being at least, the Mongolians seem to be satisfied with the results of their agitation for autonomy and are now devoting themselves to the organization of their local autonomy political council. A noticeable improvement is also seen in the situation in Sinkiang, with Gen. Sheng Shih-tsai asserting superiority over his Mohammedan rival, Ma Chung-ying. However, the turn of events represents merely a momentary upsetting of the balance of power between two rival warlords, without any fundamental solution of the situation. As a side diversion to the Sinkiang embroylio, there is the Tungan attack on the British Consulate at Kashgar. Two more developments in the Sinkiang situation worthy of notice are the reported resignation of Chairman Liu Wen-lung and the trial of the former Chairman Gen. Chin Shu-jen at Nanking.

Events in Canton are also in the limelight, where attempts on the part of Gen. Chiang Kai-shek to foster closer relationship between it and Nanking and the efforts of South-west leaders to retain their present regional isolation are matched against each other for ascendency. To unify military and political administration, Nanking is proposing to the Southern leaders the establishment of a Branch Military Council at Canton and reorganization of the Kwangtung Provincial Government, while Canton leaders are attempting to evade the issue and preserve their present organization—the Southwestern Political Council,—abolition of which Nanking is demanding. Although Southern politicians are opposing the Nanking move, Gen. Chen Chi-tang, the "Strong Man" of Southwest, is said to be sympathetic with Nanking and may prove a restrain upon the forces of disruption in the South.

At Peiping, Gen. Huang Fu and Gen. Ho Ying-ching are making progress in their policy of conciliation towards the Japanese. They received a courtesy call from Rear-Admiral Tsuda, who is on "a mission of investigation in East and Central China." The presence of Tang Yu-jen, vice-Minister of Foreign Affairs, at Peiping, is given varied interpretations. He is reported to be entrusted with a certain mission in connection with Japanese affairs in North China, but the Vice-Minister declared that his visit was solely for the purpose of attending private matters.

Capture of Tehko in Sikong Confirmed

The capture of Tehko on the east bank of Chinsha River in Sikong by the Tibetan invaders has been confirmed at Nanking, according to an official report received by the Mongolian and Tibetan Affairs Commission from Sikong authorities on March 16. Tehko is located 200 miles northwest of Kangting (Tachienlu). The message adds that fighting of most serious nature is in progress in that region between the invading Tibetans and the combined Szechuan-Sikong troops under command of Gen. Liu Wen-hui. The Mongolian and Tibetan Affairs Commission as usual has wired to the warring parties to cease hostilities, pending an amicable settlement of the dispute by the Central Government.

Gen. Chiang Kai-shek has ordered Gen. Liu Hsiang, Commander-in-Chief of the Szechuan Bandit Suppression Forces, to assist Gen. Liu Wen-hui in checking the Tibetan invasion. In compliance with the order, Gen. Liu Hsiang is reported to have supplied Gen. Liu Wen-hui with a large quantity of ammunition to engage the Tibetans. With the arrival of fresh military supplies, Gen. Liu Wen-hui has taken the offensive and succeeded in inflicting considerable casualties on the Tibetan troops.

In an interview given to the press at Ya-An on March 7, Gen. Liu Wen-hui declared that under present conditions it would be very difficult for Chinese troops to keep out Tibetan invaders. He said that the majority of the population in Sikong are lamas, who like the Tibetans better than the Chinese. He said further that means of communication are extremely poor in Sikong. From Ya-An to Chinsha River, the distance takes at least thirty days to cover on horse-back. So, it is almost impossible to send large re-enforcements to the front because of the long distance.

Gen. Huang Mu-sung, vice-Chief of Staff, who has been appointed Government Pacification Commissioner to Tibet, is continuing preparations for his trip, according to a Nanking report on March 18. The staff members of his mission arrived at Shanghai on March 19 carrying with them eighty trunk-loads of gifts destined for Tibetan dignataries and are waiting for the first steamer to India whence to proceed to Lhassa. Gen. Huang himself, however, will not be able to leave for Tibet until next month.

Pointing out the critical situation in Sikong and Tibet, the *Shun Pao* on March 15 commented: "The Tibetan issue has developed into a serious threat to China's national defence in the Northwest. In order to secure a speedy settlement of the dispute in Sikong, it is necessary first of all to win over the support of the Tibetans. In view of the death of the Dalai Lama, the Government should order the Panchen Lama to return to Tibet immediately to assume control of that region and provide him with necessary financial and military support to enable him to carry out the Government's orders. At the same time, the Government should build up a strong national defence force in Sikong to suppress the Tibetan incursions. When these two measures have been taken, the Government should take up the Tibetan issue with the British Government to secure a fundamental solution of the situation."

Adding to the present Tibetan invasion of Sikong, another serious border complication has developed in Southwest in the form of a British invasion of Panhung, Yunnan. According to an urgent telegram received at Nanking from Yunnan authorities, 2,000 British troops have invaded the province for the possession of the gold mines in Panhung district. This report has also aroused considerable agitation in Canton. The South-west People's Relations Association on March 16 submitted a lengthy petition to the Southwest Political Council, pointing out the importance of Panhung to China's border defence and urging that a strong protest be lodged with the British Government. On the basis of this report, the National Government has filed a protest with the British Legation over the affair. According to a *Reuter* message from Canton March 16, the facts of the case are that a small party of civilians, accompanied by police escorts, are exploring the Wa states inside the Northern Frontier of Burma, but the British Legation has not yet given any explanation.

Stressing the dangerous possibilities of the present dispute in Panhung, Chang Wei-han, Yunnan member of the Legislative Yuan, declared that the incident was due mainly to the vagueness of the boundary between Yunnan

and Burma. The Yunnan-Burma boundary, Mr. Chang pointed out, is several thousand *li* long, divided into the Northern and Southern sections. The Northern section remains unsettled, while middle portion of the Southern section is also in dispute. It is in this middle portion that Panhung is situated. Mr. Chang cited several instances in which the British took advantage of accidental similary of names of places to make claims over lands in the interior of Yunnan. Finally, Mr. Chang expressed the view that in order to secure a really satisfactory settlement, the National Government must not only settle the boundary dispute but also proceed with the program for the colonization of the districts near the border.

Shansi Expedition Gains Success

Liquidation of the trouble in the Northwest created by the rebellious activities of Gen. Sun Tien-ying, who has been invading Ninghsia for the past two months, is seen near, as the combined Shansi-Suiyuan expeditionary army moves against him from the rear. The vanguards of the expeditionary army have captured Tengkow from the rebel force and Gen. Fu Tso-yi, Commander of the Expedition, has arrived at Linho, western Suiyuan, to direct the operations in person. Tengkow is 135 miles north of Ninghsia city and an important point held by Gen. Sun's men. With its capture, Gen. Sun's first line of defense has been broken. Gen. Ho Ying-ching, Chairman of Peiping Branch Military Council, has received a telegram from Gen. Fu, reporting on the occupation of Yangchiacho, Pulungcho, Tengkow and two other cities by the Shansi-Suiyuan troops.

Gen. Fu Chan-kuei, representative of Peiping Military Council, in a telegram to Gen. Ho, reported that he met Gen. Sun Tien-ying at Likangpao, 13 miles north of Ninghsia city, on March 14. He stated that Gen. Sun promised to leave his Army, provided that the military funds in arrears due his army be paid up and the disposal of his troops decided upon. The military authorities in Peiping have decided to ignore the demands, but continue with the punitive campaign. A later telegram received from Gen. Fu said that Gen. Sun has finally agreed to retire, but he made it a point that Shansi troops should halt their advance at once.

According to telegrams from Ninghsia, a number of subordinate officers of Gen. Sun have rebelled against Gen. Sun and declared their allegiance to the Central Government. Gen. Yu Shih-ming and several other high commanders of the rebel army are reported to be also negotiating for surrender to the Government.

Gen. Ma Pu-fang announced assumption of his new offices as Commander of 100th Division and concurrently Commander of the new organized 2nd Army on March 15. Gen. Ma has been assisting his cousin, Gen. Ma Hung-kweui, Chairman of Ninghsia, to resist the invasion of Ninghsia by Gen. Sun Tien-ying.

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The "Dark Horse" Runs Amuck

Despite the joint efforts of Shantung, Hopei and Honan to trap him during the past several months, the grey general Liu Kwei-tang continues to run amuck in Central China. Dispatches from Kaifeng and Peiping on March 14 located him in Western Honan and reported that his horde was threatening the Peiping-Hankow Railway. There was fear that they may rob the trains of the Railway and also attack Yenchenghsien, where the China Inland Mission and the Seventh Day Adventists have their missions. A telegram from Chengchow, Honan, on the same day reported that 2,000 cavalry men of Liu's force had crossed the Peiping-Hankow Railway at Linyin in Central Honan and were massing at Sihua, 90 miles south of Kaifeng. From Sihua, they attempted to push south, but were repulsed by the Government troops. Meanwhile, other bands of Liu's men have appeared at Yuhsien and Lushan, west of the Railway. Liu's force has recently been re-inforced by several bands of bandits, notably those under the Honan bandit leader Wang Yu, and is receiving fresh recruits all along the way. A later message from Kweiteh on March 18 reported that Liu's hordes have crossed the Lunghai railway at Siaopachi, 13 miles west of Kweiteh in eastern Honan and are making for Shantung. With the Government troops in Honan close upon their heelds, they did not stop in their flight and people in Eastern Honan were left unmolested. To prevent Liu's brigands from entering Shantung, Gen. Han Fu-chu, Chairman of Shantung, has taken precautionary measures along the Honan-Shantung border. Besides strengthening the defences in south-western Shantung and ordering two armored trains to patrol along the Tientsin-Pukow Railway, Gen. Han has also ordered Gen. Sun Tung-hsuan to Yenchow to campaign against the outlaws. Gen. Han announced that none of Liu Kwei-tang's bandits will be allowed to reenter Shantung territory

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Nanking Plans Development of Northwest

With the defeat of Gen. Ma Chung-ying's Mohammendan troops by Gen. Sheng Shi-tsai, Bordern Defense Commissioner of Sinkiang, the National Government is devoting considerable attention to the development of the Northwest and a Sinkiang Reconstruction Planning Committee has been established at Nanking under the chairmanship of Dr. Chu Min-yi, chief secretary of the Executive Yuan. According to reports received at Nanking from Tihua, the Sinkiang Provincial Army under Gen. Sheng Shih-tsai has routed the Mohammenda force of Gen. Ma Chung-ying and has occupied Turfan and other districts. The latter are falling back on Hami, eastern Sinkiang, where they are prepared to make a last stand.

The inaugural meeting of the newly created Sinkiang Reconstruction Planning Committee was held on March 13. Dr. Chu Min-yi presided and 43 members were present. Dr. Chu stressed the strategic and economic importance of Sinkiang to China Proper and said that the Committee had been entrusted by the Executive Yuan to plan for the development and construction of that province. The second meeting of the Committee was held on March 15, when President Wang Ching-wei made a speech. Pointing out the importance of improving the system of communications in Sinkiang, President Wang said that while railway construction is the fundamental solution, it is however beyond the financial power of the Government to do so now. Highway construction is more feasible and should be proceeded with. With reference to the policy of the Government vis-a-vis Sinkiang, he said that military force will not be the only means to be employed and other measures are also devised for the settlement of the various political and military difficulties. To concentrate control over foreign affairs, the Government has taken over all Consulates formerly under the jurisdiction of the Sinkiang provincial government. The third meeting of the Committee was held on March 17 and the problem was further discussed in detail.

In the meantime, the Northwestern Branch Office of the National Economic Council at Sian, Capital of Shensi, and Shensi Provincial Association for the Reclamation of the Northwest are also active in their program of reconstruction of the Northwest. Construction of light railways, organization of co-operative societies, establishment of farm banks, building of highways, river conservancy are among the projects in the program. T. V. Soong, member of the Standing Committee of the National Economic Council, is also taking a deep interest in the development of the Northwest. He visited Nanking on March 15 to hold further discussions with the Government leaders on the question and is perfecting preparations for a trip to the Northwestern provinces in company with Tai Chi-tao, President of the Examination Yuan.

To colonize the Northwest with Chinese settlements, arrangements are now under way to send families of Chinese volunteers killed in Manchuria to the Northwest for reclamation purposes. The scheme has won support of many Northeastern leaders, including Gen. Ma Chan-shan. The matter is now in the hands of the Ministry of Industry.

Two latest developments in the situation in Sinkiang are the resignation of Gen. Liu Wen-lung as Chairman of Sinkiang and the attack on the British Consulate at Kashgar by the Tungan tribesmen for harbouring rebel refugees. It is learned that Nanking has received a telegram from Gen. Liu, submitting his resignation, but giving no reasons for the action. The Government is considering the matter, pending further information from Tihua.

According to a *Tass* telegram from Kashgar March 16, the detachment of Tungans, which seized the town and released the Tungan garrison beseiged at Yangishar fortress, murdered 2,000 Uigurs in Kashgar and its neighborhood. The attempt of the Kashgar "independent government" to take back the town in accordance with plan recommended by the British Consulate at Kashgar has failed. Its retreating forces attempted to take refuge in the grounds of the British Consulate, which was fired at by the Tungans and several members of the Consular staff were killed or wounded. The

staff of the Tungans at Kashgar are awaiting Gen. Ma Chung-ying who is heading for Kashgar region with remainder of his army. In opposition to the Japanese plans in Sinkiang, British agents at Kashgar, Jarkent and Khotan advocate a plan for the unification of these three districts under an independent Moslen domain with some Moslem prince of British India on the throne.

Trial of Gen. Chin Shu-jen, deposed Chairman of Sinkiang, who has been detained at Nanking since last Autumn, opened at Nanking March 16 at the Kiangsu High Court. Judge Liu Wen-lan presided over the trial. Shen Pin-chien, the presecutor, charged the accused with four criminal offenses: 1. conclusion of illegal Soviet-Sinkiang Commercial Agreement with Soviet Union. 2. misappropriation of public funds. 3. massacre and incendiarism and 4. unlawful seizure of people's estates.

Replying to the first charge, the accused said that the agreement was merely intended as a temporary measure and that he was unable to report to the Government of this because the telegraph system in Sinkiang was then disrupted. Following this, evidence of the chief witness Ah Sha was heard. He described the circumstances of the conclusion of the agreement and said that in consequence of this, the commerce and industry of Sinkiang was entirely controlled by the Soviets and propagation of Communism in Sinkiang greatly facilitated. The accused vehemently protested against the testimony and declared that the evidence by Ah Sha was absolutely unreliable.

In the course of second trial held March 17, the accused denied misappropriating public funds. He gave an account of the funds he took with him when he fled from Tihua last year. He said altogether he took 700,000 Roubles from the Sinkiang Provincial Treasury and 1,270 ounces of gold bullion which latter, he said, he borrowed from Gen. Liu Wen-lung (incumbent Chairman of Sinkiang) and Chen Chi-shan (former Commissioner of Foreign Affairs for Sinkiang) on the personal credit. Of the 700,000 Roubles, he said that 500,000 were spent for purchase of arms for his guard and 200,000 are now in custody of Lu Hsiao-tsu, Administrative official at Tacheng. As to the gold bullion, he insisted that it was a personal loan and could not be regarded as public property.

The Court is studying the evidence of the case and further hearings will be held before judgment will be rendered.

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Mongolians Busy Organizing Autonomy Council

Inauguration of the Mongolian Local Autonomy Political Council at Pailingmiao has been scheduled to take place early next month and Mongolian leaders are speeding up preparations at Pailingmiao, which has been chosen seat of the Council. The Mongolian delegation to Nanking left the Capital on March 12 and arrived at Peiping on March 14 on their way of return to Inner Mongolia. Interviewed at Peiping, a spokesman of the delegation declared that the Mongols are satisfied with the outcome of their mission to Nanking. He added that the regulations adopted by the Central Political Council governing the introduction of autonomy in Inner Mongolia met with general approval. The delegates called on Gen. Ho Ying-ching, who has recently been appointed concurrently Directing Commissioner for Local Autonomy in Inner Mongolia, and Gen. Huang Fu, Chairman of Peiping Political Council on March 15. They left Peiping for Inner Mongolia on March 21. After their arrival at Pailingmiao, they will call a conference of the Mongolian dukes and princes to report on their mission to the Capital.

According to information from Nanking, the Office of the Directing Commissioner for Local Autonomy in Mongolia will be inaugurated simultaneously with the Mongolian Autonomy Council. Plans for the inauguration of the Office are being made by Gen. Ho Ying-ching and Chao Tai-wen, the Directing Commissioner and Deputy Commissioner of the Council respectively. With regard to the request of the Mongolian delegation for the appropriation of initial expenses for the Mongolian Autonomy Council, the request has been rejected by the Government, as the regulations governing the Council merely provide for monthly subsidies towards its running expenses, but no provision was made for initial expenses from the Central Treasury.

In a joint telegram to the Central Authorities March 13, Princes Yun and Teh, president of the Ulan-tsab League and Vice-President of the Sinligol League respectively, maintain that as a matter of principle, members of the Mongolian Autonomy Council should be appointed by the Central Government only on the recommendation of the various Mongolian dukes and princes, so as to prevent manipulation of the Council by a few persons. With the reference to the collection of revenues in territory belonging to the Mongolian Leagues and Banners by the various provincial and district authorities, the telegram declares that half of the revenues so collected should be turned over to the Leagues and Banners in whose territory they were collected.

The "New Life Movement"

Imported slogans of national salvation and recovery, one time spreading gospel like, have lost their charms and hold upon the mind of the people. Some of them are forgotten; others neglected or rejected. The nation is thus left without a rallying point. Gen. Chiang Kai-shek was greatly concerned over this. Drawing inspiration from his study of ancient Chinese classics, Gen. Chiang has finally discovered one in the four time-honored virtures of ancient China: Li Yi Lien Chih. Clothed in modern phraseology, he called strict observance of these four virtues the "New Life Movement."

The movement was initiatd by Gen. Chiang more than a month ago. In a speech delivered on March 5 at his Field headquarters at Nanchang, Gen. Chiang eludicated in detail the importance of these four old virtues of traditional China as a great reforming influence in the regeneration of the nation. In part, he said that the purpose of the movement is to order the daily life of the people in strict observance of the four virtues. No country, society, organization, family or even an individual, hoping for advancement, can accomplish its aim, he said, unless it conforms to the spirit of the four virtues.

The inaugural meeting of the movement was held at Nanchang on February 19, at which Gen. Chang delivered his first address on the subject before the public The keynote of his speech laid special emphasis upon knowledge and virture as the foundation of national greatness. He illustrated this point by reference to Germany's speedy recovery after the World War and paid a tribute to the Spartan discipline of the Japanese people. Next, he stressed the necessity of training leaders for national renaissance. To accomplish this, he advocated the reversion to the old virtues taught by Chinese sages: Li Yi Lien Chih, the nearest equivalents of which in English are propriety in manners, righteousness in conduct, honesty in dealings with others and one's self and honor or self-respect.

The first mass response to the movement was made by the people of Nanchang on March 11, when 5,000 residents turned out to hold a public meeting to promote the movement. Gen. Chiang was present at the meeting with Madame Chiang. He made a short speech, in which he expressed gratification at the mass response to his new call. Referring to the virtue of healthy living, he said that the failure to keep clean and healthy will naturally cause others to despise us. Continuing, Gen. Chiang said: "As everybody knows, I was once Commander-in-Chief as well as Chairman of the National Government. Now, I am President of the Military Affairs Commission. No man is ever born great," he said. Recalling the days of his early childhood, Gen. Chiang said that the habit to keep clean was early incalculated in him by his parents. "This early training, stern as it was, has made me what I am," he concluded.

Under the auspices of Gen. Chiang, the movement is now spreading like wild fire across the entire country. Particular enthusiasm in its response is noticed in Nanking, Shanghai, Peiping, Hankow, Hangchow, and Tsinan.

The Association for the Promotion of the New Life Movement was formally inaugurated at Nanking on March 16. The inaugural meeting was attended by many notables of the Government with Dr. Chu Chia-hua, Minister of Communications, presiding. Based as it is on the fundamental virtures of the Chinese nation, Dr. Chu said in his opening address, the movement will be carried out through the observance of Propriety, Righteousness, Honesty, Honor, Wisdom, Kindness and Courage. Yeh Tsu-tsang, Secretary-General of Central Party Headquarters, urged that the movement much be carried out with perservance and sincerity. President Wang Ching-wei said that in order that the movement might achieve its object, the people must carry out its principles with sincerity and though scientific means.

The Committee for the Direction of Mass Movements of the Central Party Headquarters issued a lengthy manifesto in support of the movement on March 17, in which a glowing tribute was paid to the sincerity and far-sightedness of Gen. Chiang in launching this movement. In order to rectify the present regrettable state of affairs in the country, the message says, the nation must revive and improve its conceptions of morality and intelligence. This, however, cannot be achieved except by the improvement of the daily life of each individual citizen, that is, by strict observance of the four time-honored virtures.

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The Nanchang Conference

A series of conferences on political and military affairs of the country was held at Nanchang during the past week, participated by Gen. Chiang Kai-shek and many government leaders and high officials of the various provinces. Sun Fo, President of Legislative Yuan and H. H. Kung, Minister of Finance, accompanied by Dr. John H. C. Wu, Vice-president of the Constitution Drafting Committee and Ma Chao-chun, member of the Legislative Yuan, arrived at Nanchang by airplane on March 14. They conferred with Gen. Chiang on various state problems for two days, particularly the new draft Constitution, and returned to Nanking on March 16. Provincial Commissioners of Civil Affairs and Education for Kiangsu, Chekiang, Honan, Hupeh, Hunan, Honan, Fukien, Shensi, Kansu and Kiangsi as well as inspectors of civil administration of the nine provinces also arrived at Nanchang during the week in response to summons from Gen. Chiang. They are now attending a conference convened by Gen. Chiang for the discussion of measures for effecting administrative reforms in the provinces concerned. The conference will be in session for some days.

Marshal Chang Hsueh-liang, vice-Commander-in-Chief of the Bandit Suppression Forces of Honan, Anhui and Hupeh, has returned to Hankow from his visit to Gen. Chiang at Nanchang. Marshal Chang will shortly set out on an inspection of the various military units in Hupeh and the districts recently recovered from the "Red" bandits. Gens. Yu Hsueh-chung (Chairman of Hopei), Ho Chu-kuo, Wang Fu-ling and Wang I-chih, four high Commanders of the Northeastern Army, visited Hankow end of last week and conferred with Marshal Chang on the military situation in North China.

According to a *Chekiai* agency telegram from Nanchang on March 17, the Government forces under command of Gen. Chiang Kai-shek have won signal victories against the Communists during the last several days. Several decisive battles have been fought between March 11 and March 15 and the Communists armies have been routed by the Government forces. It is officially confirmed that the Communist casualties are 3,000 dead and between 5,000 to 5,000 wounded. The Government forces suffered a loss of 400 dead and some 600 wounded.

Communist bands in Fukien were also active during the week, but their outbreaks were speedily suppressed by the Government troops there.

T. V. Soong, former Minister of Finance, now Member of the Standing Committee of the National Economic Council, arrived at Nanking March 15. He received Chin Feng, Secretary-General of the Council and Dr. J. Rajchman for a preliminary conference. The plans for his impending trip to the Northwest are being brought into final form; Mr. Soong and party will leave early in April. Chen Kung-po, Minister of Industries, may accompany him in the trip. Mr. Soong returned to Shanghai on March 17 in company with Dr. H. H. Kung, Sun Fo and many other Government leaders. It is learned that a general meeting of the National Economic Council shortly be held at Nanking at which particular attention will be directed toward the development of the Northwest.

Dr. W. W. Yen, Chinese Ambassador to U. S. S. R., arrived at Nanking from North China March 15. Dr. Yen called on M. Bogomoloff, the Soviet Ambassador to China, on March 16, but no important conversations were held between the two diplomats. Dr. Yen has gone to Nanchang to interview Chiang Kai-shek.

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Influence of Nanking Rises in Southwest

With the recent successful suppression of the Fukien rebellion, Nanking is gradually asserting its authority in the Southwest and extending its control over the military and political elements there. A dispatch from Canton March 18 stated that Nanking has reached a secret understanding with the Kwangsi military leaders for the establishment of a Branch Branch Military Council at Nanning in order to combat the influence and power of Canton. The message adds that Nanking will also be represented at the Canton Branch Military Council which will be established soon and has asked that control of both the Navy and Air force of Canton be transferred to the Central Government.

According to reports from Nanking and Canton, negotiations have been in train for the past few weeks between the Government and the Canton authorities for the abolition of the Southwestern Branch of C. E. C. and the Southwestern Political Council and the reorganization of the Kwangtung Provincial Government. In the place of these organs, Nanking suggests the establishment of a Branch Military Council at Canton to unify control of military affairs in Southwestern provinces. In the proposed measures of reform, Nanking is, however, encountering strong opposition from the political leaders of the Southwest, notably Hu Han-min and Chow Lu. Mr. Chow is bitterly critical of the National Government. He declared, according to a report in *Chan Jan Pao*, Hongkong, March 16, that it is absolutely impossible to have the two Southwest organs abolished at the desire of a single individual, as their establishment was sanctioned by the 4th Kuomintang Congress. He denied that a Branch Military Council will be established at Canton. Commenting on Nanking's failure to issue a formal statement on the enthronement of Pu Yi as Manchukuo Emperor, he said that the Nanking Government has surrendered to the Japanese and is now wroking hard for the extermination of the Chinese troops who participated in fighting against the Japanese—the destruction of the 19th Route and present attempt to suppress the Sun Tien-ying army.

Despite the opposition of the politicians, Nanking is proceeding with carrying out the plans of reform and reorganization. The National Government has, according to a Nanking dispatch March 16, received a telegram from Gen. Chen Chi-tang, dominating military figure of South China, that he has no objection to the establishment of a Branch Military Council in Canton. Gens. Li Tsung-jen and Pai Tsung-hsi of Kwangsi are reported to have also endorsed the plan. While Gen. Chen is in favor of including all the South-western provinces in the Council, Gens. Li and Pai, however, advocate that the Council should exercise control only over Kwangtung and Kwangsi. The council, when established, will have a membership of from seven to eleven persons and will be controlled by a Standing Committee of three, Gen. Chen Chi-tang of Canton, Gen. Ho Chien of Hunan and Gen. Chiang Ting-wen of Fukien. Possibly, Gen. Chang Fa-kwei, the famous "Ironsides" Commander, who is now returning to China from Europe, may also be invited to join the Committee.

The question of restoration of the system of provincial governorship is also engaging the serious attention of the authorities at Canton. In connection with this question, rumors of various kinds have been in circulation. One of these is that Gen. Wu Teh-chen, Mayor of Shanghai Municipality, will be appointed Governor of Kwangtung, but the news, when published, was flatly denied by Mayor Wu. Reports from Canton indicate that Li Yun-kai, the present Chairman of Kwangtung, or Lin Yi-chung, present Commission of Civil Affairs, will be appointed Governor of Kwangtung, when the changed system is put into execution. Both officials are close adherents of Gen. Chen Chi-tang.

The military tension on the Kwangtung-Fukien border continues to decrease. Canton troops in Fukien are being withdrawn into Kwangtung. Only Shanhang, Wuping and Yungting in Southern Fukien are not evacuated. The concentration of Kwangtung troops for the proposed general offensive against the Kiangsi Communists has been completed, according to Canton telegram March 16. Gens. Yu Han-mou, Li Yang-ching and Huang Jen-huan, Commander of the Kwangtung armies, have all arrived at their respective posts at the front. They are prepared to commence offensive operations, as soon as orders are received from Gen. Chiang Kai-shek.

Gen. Huang Kwang-jui, Commander of Canton Air Force, accompanied by two other air officers, departed from

(*Continued on page 151*)

Japanese Resume Military Operations on Chahar Front---Intend to Hold Dolonor

A message from Tientsin March 28 stated that the Japanese military had resumed operations in Eastern Chahar, with the apparent object of taking Chahar before the elimination of General Sun Tien-ying. The notorious Colonel Doihara is reported to be in Tientsin and Gen. Sun Tien-ying's agents are stated to be engineering another disturbance of plainclothes men.

In view of the tense situation in eastern Chahar, General Sung Che-yuan, Chairman of the Chahar Provincial Government and concurrently Commander of the 29th Army, returned to Peiping from Tientsin Mar. 17 and conferred with General Ho Ying-chin, Acting Chairman of the Peiping Branch of the Military Affairs Commission, and General Huang Fu, Chairman of the Peiping Political Affairs Readjustment Committee, concerning measures for coping with the new Japanese menace. A total of 9,000 Japanese and "Manchukuo" troops has now been concentrated in the Kuyan districts ready to take action, according to Chin Teh-chun, personal secretary of General Sung who arrived from Kalgan to report on the Chahar situation. It is learned from reliable sources that Japanese and "Manchukuo" troops will first take action in Chahar if the present Soviet-Japan tension reaches a climax. With a view to cutting communication between China and Soviet Russia, it is understood, the Japanese troops in Dolonor will launch an attack on Wuteh, while "Manchukuo" troops gathered in Hsinyuan will make a descent on Yenching, a strategic point on the Hopei-Charhar border. Meantime, Mongol representatives in Peiping have asked the local authorities to lodge a protest with the Japanese against the stationing of Japanese troops in Dolonor, which is Chinese territory.

JAPAN'S PAWN

—*From the Los Angeles Times*

Troops of Chang Jen-chien Become Restive

The troops of General Chang Jen-chien, former divisional commander under General Fang Chen-wu, stationed in the Lungmensu area in East Chahar, are showing signs of unrest, according to Chinese telegraphic advices from Kalgan. The troops of General Chang Yun-yung, Defence Commissioner of Chihfeng and Kuyuan, are keeping a close watch over these men.

Revival of Japanese Activites in Eastern Chahar

The *Chung Hua Jih Pao*, comments: Since the signing of the Tangku Agreement, both the Japanese and Chinese authorities have been using pacific methods for the transfer of Shanhaikwan and other passes of the Great Wall to Chinese control. Although this can not be considered as the beginning of a fundamental solution of all outstanding problems between the two countries, actual hostilities, which started two years ago, have at least been brought to an end. In fact, we should expect frankness and sincerity in diplomatic dealings with Japan. But facts point to the contrary. Japanese activities, indicative of their real intentions, include the recent military maneuvers at Tientsin and the dispatch of an additional force of 5,000 to eastern Chahar. Although mutiny of some Chinese troops in eastern Chahar war given as the reason for the augmented Japanese garrison, the move was really aimed at strengthening their position in Tolun (Dolon Nor) and Kuyuan, preparatory to an invasion of Inner Mongolia. The Japanese occupation of the North-eastern provinces and their establishment of a puppet regime there is generally regarded as the culmination of the first stage in Japan's Manchurian policy. It is evident that the Japanese are neither sincere in their observation of the Tangku Agreement nor do they really intend to restore genuine diplomatic relations between the two countries. China being in a most helpless situation, however, it is impossible for us for the present to recover by force our Northeastern provinces which are now under Japanese military occupation. We can only make a peaceful struggle. Therefore, we should, firstly, with the Tangku Agreement as a basis, conduct negotiations with the Japanese authorities for the return of territories within the Great Wall as well as Tolun and Kuyuan. Secondly, we should make adequate preparations in North China and along the border of eastern Chahar to prevent the Japanese from carrying their threat into action. Thirdly, we must never recognize the puppet state, no matter how great the Japanese pressure.

Japanese Troops in Chahar Reinforced

According to secret reports received in Peiping the Japanese troops in Chahar have been further reinforced. The 7th Japanese division will be stationed in northern Jehol and are stated to be planning to establish their headquarters at Dolonor. Meanwhile 500 Japanese infantry have arrived at Kuyuan from Dolonor. The Japanese military authorities have completed the building of a motor road between Chengteh and Dolonor, and the highway is now in daily use.

The Japanese Kwantung Army authorities have decided to remove the Headquarters of the 7th Japanese Division from Chengte, provincial capital of Jehol, to Tolun (Dolon Nor), western Charhar, according to a report from General Chin Te-shun, attached to the 29th Army under General Sung Che-yuan.

Japanese Do Not Contemplate Retrocession of Dolonor

With regard to the proposed negotiations between the Chinese and Japanese authorities for the retrocession of Dolonor in northern Chahar, the Japanese have informally hinted that they have no intention of entering into negotiations with the Peiping authorities for the retrocession of that region.

Upon receipt of reports that the Japanese military have established on office for its "Special Mission" at Tolun (Dolon Nor) and also a "joint office for the Mongolian banners of Chahar and Suiyuan" with a view to disintegrating the union of the Mongols, the Mongolian and Tibetan Affairs Committee has telegraphed to the various Mongolian Leagues and Banners to reject any overtures from these new Japanese puppet organizations.

Russo-Asiatic Bank (Harbin Branch) to Be Finally Liquidated

The Central Bank of Manchukuo will shortly start the liquidation of the accounts in the Harbin branch of the Russo-

Asiatic Bank. The question concerning the disposal of the bank's rouble deposits, which are believed to amount some one million roubles, is already under investigation by the officials of the Central Bank.

Soviet Lumber Ousting American Market in Manchuria

In order to handle the rapidly increasing importation of lumber, petroleum, gasoline and foodstuffs from Soviet Russia, Soviet trade representatives in Dairen are reported to be preparing to enlarge their trade office in said city. It is reported that the Soviet lumber is now quickly ousting the American lumber from the Manchurian market.

Manchukuo Files Protest with Soviets on Landing of Plane

The Manchukuo Government has filed a protest with the Soviets in connection with the landing in Manchukuo territory on March 11 of a Soviet light bombing plane, on the ground that it is an infringement of Manchukuo territorial rights. The Japanese Government also lodged a strong protest with the Soviets in connection with the incident. Meanwhile, Mr. Slavutsky made a second visit to M. Morishima, Japanese Consul-General, asking for release of the two Soviet airmen who were taken from their plane. It was reliably reported that the Soviet official declared any delay in settlement of the dispute may cause evil consequences in the diplomatic relations of Japan, Manchukuo and Russia. This statement, it was reported, was considered in some quarters as a veiled threat and caused an unpleasant reaction among Japanese and Manchukuo leaders.

Soviets Make Representations to Japan on Bomber Affair

The Soviet Foreign Commissariat has instructed the Soviet Ambassador in Tokyo to make urgent representations to the Japanese government in regard to the return by Manchurian authorities, of the Soviet light bomber and the two pilots detained by Manchurian authorities after landing in the Mishan district, in Manchukuo, on March 11.

The *Tass* agency March 13 stated that it was authorized to refute, as an absolute invention, the reports in the Japanese and Manchurian press alleging that Soviet airplanes flew over Manchurian and Korean territory on February 20 and 23.

Yoshizawa Would Make "Manchus" Pay Military Expenditure

At a sub-committee meeting of the Budget Committee of the House of Peers on March 5 Mr. Yoshizawa, former Minister for Foreign Affairs, stated his view that the Manchurian affair expenditure in later years should either be borne by Manchukuo or be defrayed out of the revenue of the South Manchuria Railway Company. Mr. Takahashi, Minister of Finance, in reply, said that it would be absolutely wrong to defray the expenditure of the Japanese army out of the revenue of Manchukuo. Such a device would be to put Manchukuo in a position vis-a-vis Japan analogous to that of India to Britain. It is, of course, necessary to economise on the Manchurian affair expenditure in future, but the most that can be done perhaps, is to draw upon the returns on the Government shares in the South Manchuria Railway Company, is Mr. Takahashi's view.

Lennox Simpson Case Comes Up in Commons

The expulsion of E. Lennox-Simpson from Manchuria came up in the House of Commons March 14, when Sir John Simon, Foreign Secretary, was questioned concerning Mr. Simpson's claims against the authorities in Manchuria. Sir John, in dealing with events which led up to Mr. Simpson's departure from Harbin for Dairen said that in response to Mr. Simpson's request the Government was examining his claims in consultation wtih the British Legation in Peiping. Intricate questions of law were involved he said, but the examination was now almost complete.

Details of Mutiny at Ilan in Manchuria

Dispatches from Ilan in Manchuria give details of a recent mutiny of Manchukuo troops in that city, resulting in the annihilation of a large number Japanese troops and the death of Colonel Iizuka. It appears that the struggle developed as a result of a dispute between Colonel Iizuka and Li Yu-chiu, commander of the Second Brigade of the Kirin troops. The dispute came to a head when Colonel Iizuka demanded that the Kirin troops move away from that city. The Manchukuo troops refused to take orders from the Japanese officer and one regiment broke loose on the night of March 9. The Japanese garrison troops were surrounded and Colonel Iizuka was killed in action. The mutineers fled to Hulin to join up with the volunteers there.

Retrocession of Great Wall Passes Proceeds

According to an official report made by Tao Shang-min, who was in charge of affairs in connection with the retrocession of Shanhaikuan, all small passes in the neighborhood of Shanhaikuan have already been taken over by the Chinese authorities. Chinese police are now on duty at these passes. The authoritities are now establishing long distance telephone service connecting Shanhaikuan with these passes.

C. E. R. Bridge Destroyed by Bandits

Communication between Harbin and Pogranitchnaya was completely blocked last week as the result of an army of about 200 bandits destroying telegraph lines and a railway bridge on the eastern section of the Chinese Eastern Railway. Japanese and Manchukuo soldiers were sent in pursuit of the bandits.

New Steel Bridge to Be Built Over Nonni River

The Manchurian Bureau of National Highways is to start the construction work for a new steel bridge costing $1,500,000 across the Nonni River, near Tsitsihar, it is reported. This work is expected ts be completed in the latter part of June next year. *Rengo* says the new bridge will have an important bearing for the future agricultural development of North Manchuria.

GERMS OF WAR SICKNESS

—*From the Moscow News*

Hundreds of Messages Record Opposition to Pu Yi Enthronement

The *Central Daily News* (Nanking, March 15) said that according to information from reliable sources, more than one hundred telegrams and letters have been received from Chinese patriotic organizations and individuals in Manchuria opposing the enthronement of Pu Yi and the puppet "Manchukuo Government." Under the present circumstances, according to the journal, the revelation of the names of these organizations and individuals is manifestly impossible.

Manchukuo's Postal Situation to Be Discussed at Geneva

A meeting of the Advisory Committee of the League of Nations has been summoned for May 14 to consider the British communication concerning postal relations with so-called Manchukuo.

Twenty-Ninth Anniversary of Battle of Mukden Commemorated

The Battle of Mukden which took place 29 years ago between Russian and Japanese troops, was commemorated March 10 by the Japanese units stationed in Mukden. The Japanese colony observed Japanese Army Day. A memorial service was held at the monument erected in memory of the Japanese soldiers who fell in the encounter.

Japanese Make Forced Inspection of C.E.R. Depot at Pogranichnaya

Reports from Harbin state that eleven Japanese officials arrived at the C.E.R. station at Pogranichnaya, March 18, and, despite the resistance of the Chief of Section, arbitrarily opened the depot and examined the spare locomotives, cranes, and workshop machinery.

Japanese press reports that the Soviet Government has agreed to sell the Chinese Eastern Railway to the puppet Manchukuo for Yen 150 millions were denied in Soviet Russian circles in Peiping during the week.

Chinese Rail Chief Killed by Japanese

Kan Chek, director-general of the so-called Fengtien-Shanhaikwan Railway, whose sudden death was announced last week in Mukden, was murdered by a Japanese who escaped after having tossed a hand-grenade at the victim. It is believed that Mr. Kan was assassinated in connection with the recent reorganization of the so-called Fengtien-Shanhaikwan Railway. A Japanese official has been appointed to succeed Kan as the director-general of the Fengshan Railway.

Harbin White Russians Being Coached by Japanese

In a joint conference of their representatives, the twenty-eight White Russian organizations at Harbin with a total membership of over one thousand March 16 decided to join the Great Manchuria Association for Justice, which is formed under the leadership of Eizo Sakai. Mr. Sakai was expected to arrive in Harbin shortly in order to incorporate the White Russians into the organization, of which he is the head.

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Expedition Against Manchukuo Urged by Canton

The launching of a punitive expendition against Manchukuo was urged in a joint circular telegram despatched to Nanking March 14 by the Kwangtung Provincial Kuomintang and the Canton City Kuomintang. It appeals to the Central Government and the people of China "to co-operate in the work of launching a punitive expedition in order to recover our lost territories and maintain our national sovereignty."

The Southwest Executive Committee and the Southwest Political Council on March 6 issued a telegram, a significant paragraph in which read: "We cannot refrain from reminding friendly States in the East as well as in the West that the four Northeastern Provinces are part of our dominion and the nationals of the Republic of China will fight to the bitter end for their recovery. We hope the friendly States will continue to respect the policy of non-recognition and take steps to prevent further movement of peace disturbers in China so as to maintain the integrity of international treaties. At the same time we have to warn our people that the restoration of our lost glories largely depends upon the possibility of self-salvation. At present we are in great danger—which our people have never faced in our human record. We, Chinese nationals, must wake up and fight for our existence. We cannot depend on the government authorities whose connivance of the insurrection in the Northeast will probably endanger our country."

The Tientsin Bureau of Public Safety has been ordered by the Hopei Provincial Government to exercise vigilance against the activities of secret agents of the puppet Manchukuo government, who are reported to have been sent to Tientsin and other cities to stir up trouble.

Japanese Want No Conflict With the Soviets

Naotake Sato, the Japanese Ambassador to France, presiding at a meeting of the International Diplomatic Academy, in Paris March 15 said that Japan was seriously striving to improve her relations with Soviet Russia. Analyzing Russo-Japanese relations, he said that his government was doing its utmost to remove the obstacles handicapping smooth, co-operation between the two countries, and its efforts should be crowned with success. "The eventuality of an armed conflict," he added, "of which there has been too much talk, cannot fail to be averted. Neither country desires a conflict, and nobody seriously contemplates it."

In reply to Ryuji Nagashima of the Seiyukai concerning the decrease of the military reserve fund for the appropriation for the Japanese army in Manchuria, for the government fiscal year 1934, War Minister Hayashi, in his statement in the House of Representatives March 15, said he did not see any grave situation existent in the political and diplomatic relations between Japan and Russia.

Japanese Schooner Ordered to Leave Soviet Waters

Reports from Vladivostok state that on March 10 a frontier patrol noticed the Japanese motor schooner *Todzima Maru* half a mile from Askold Island, at the entrance of Vladivostok Bay. When examined by the frontier authorities, the captain of the schooner stated thta the vessel was engaged in scientific work in connection with fishing in this district, and was forced to approach the shore, and berth, owing to damage to the motor, which had already been repaired. Upon close examination of the schooner by the frontier authorities, it was established that the craft was well equipped with short and long wave pelengator installations. The authorities drew up a protocol regarding the berthing of the schooner in Soviet waters without permission, and ordered the vessel to immediately leave the territorial waters of the Soviet Union. In the opinion of seamen, the schooner was a reconnoitring craft, apparently performing certain specific espionage tasks.

New Plant in Batoum to Build Tea Equipment

The construction has been started in Batoum of a big plant to supply machinery and other equipment for the tea industry. It will produce such machinery to a value of 10,000,000 roubles yearly, and will free the Soviet tea industry from the necessity of importing its equipment.

Soviets Make Rapid Progress in Far Eastern Development

The Soviets are pushing economic development of the Far Eastern Region. The construction of entirely new plants and factories, the creation of new coal and oil districts, the laying of new railway trunk lines, the cultivation of extensive fisheries and fur enterprises, the development of a number of branches of the food industry,—all these are is radically changing the economic aspect of this region. The work is proceeding at an accelerating pace. Particular attention is being paid to the question of transport. Land transpott will be greatly developed by the double-tracking of the Ussuri Railway, the construction of a big new line—the Baikal-Amur trunk line, and the building of a big auto assembling plant in the Far Eastern Region.

Central Asia Becoming a Leading Oil Region

During the last two years, Soviet geologists and oil experts have made a number of important discoveries, promoting central Asia as an oil area, to a place among the leading oil regions of the Soviet Union. Soviet economic organizations are planning capital investments and the organization of oil surveys for the development of exploitation.

Soviet Goods in the British Empire

The penetration of Soviet goods into various parts of the British Empire was brought up in the House of Commons by a Conservative member Mar. 14. He drew attention to the export of Soviet cotton goods to the British colonies in Africa, to Malaya, Siam and the Federated Malay States and advocated action by the Government. Malcolm McDonald, under-secretary for the Dominions, said he was aware of these Soviet exports and that the matter would not be lost sight of.

An agreement was concluded in Stockholm, March 13 for the granting of a credit of 100,000,000 kroner to Russia against the purchase of Swedish goods.

Regular Ocean Traffic Between U. S. A. and Russia

The motor vessel *Kim* started on her voyage from Odessa to New York March 12. This is the beginning of regular ocean traffic between the Soviet Union and the United States.

Rouble-Yen Rate Discussed

Japanese Ambassador Ohta paid an official call on the Vice-Chief of the Foreign Commisariat, M. Sokolnikoff in Moscow on March 17 in connection with the question of the exchange rate between the rouble and the yen which had been raised at the bidding for fishery grounds on February 22.

Japanese Say No Military Planes Invaded Soviet Territory

The Japanese Foreign Office March 19 directed an official note, through Ambassador Ohta in Moscow, to the Soviet Union, refuting the latter's allegation that Japanese military planes invaded Soviet territory on February 15 and 17. The protests in regard to the matter were filed with the Japanese Government by the Soviet Union, recently. The Japanese, however, have intimated to the Russians that they intend to engage in anti-bandit activities.

China's New Foreign Policy

BY C. Y. W. MENG (孟 昭 漪)

ON July 7, 1928, the Ministry of Foreign Affairs of the National Government made an important Declaration on the conclusion of new Treaties with the Powers, which reads *inter alia* as follows:

> "All the unequal treaties between the Republic of China and other countries, which have already expired, shall be *ipso facto* abrogated and new treaties shall be concluded.
>
> "The National Government will immediately take steps to terminate, in accordance with proper procedure, those unequal treaties which have not yet expired, and conclude new treaties.
>
> "In the case of old treaties, which have already expired, but which have not been replaced by new treaties, the National Government will promulgate appropriate interim regulations to meet the exigencies of such situation."

A set of Provisional Regulations Governing the Relations between China and the Powers after the Abrogation of the Old Treaties and pending the Conclusion of New Treaties, consisting of seven regulations, was immediately promulgated by the National Government.

Treaty Revision Movement

In other words, to revise the out-of-date treaties with the powers individually constituted the foreign policy of Nationalist China. This is generally known as the Treaty Revision Movement in Chinese diplomatic history. Generally speaking, the movement, which had the general sympathetic support of the world, was not without success. The year 1928 witnessed a series of revisions of treaties with the powers, such as the Sino-Belgian Treaty (November 22, 1928), the Sino-Spanish Treaty (December 27, 1928), the Sino-Portuguese Treaty (December 19, 1928) the Sino-Italian Treaty, (November 27, 1928) the Sino-Danish Treaty (December 12, 1928), and the Sino-German Treaty (August 17, 1928).

The only obstacles which the Chinese met were the negotiations with the Japanese and the French. The Sino-Japan Treaty of Commerce and Navigation of 1896 and the Supplementary Treaty of 1903 had expired in October, 1926. The Sino-French Convention of Tientsin of April 25, 1886, the Sino-French Additional Convention of June 26, 1887, and the Sino-French Supplementary Convention of June 20, 1895 had expired simultaneously on August 7, 1927. The negotiations were long and protracted. The conclusion of the new treaties took place only after two years of negotiations. It was entirely due to the fact that these two powers purposely held up the negotiations or formal assent until other outstanding issues had been disposed of.

But this movement received a far more severe blow and sharp reverse when Three North-Eastern Provinces (Manchuria) were lost to Japan. Since then the Chinese have had to talk very much about the policy of "recovery of lost Manchuria," thus forgetting all about treaty revision. Secondly, as the loss of Manchuria together with Jehol in rapid succession constituted merely another "Korea, Formosa and Pescador Islands" cession to Japan, and as the signing of the "Shanghai Agreement" and the Tangku Agreement" constituted merely another "Treaty of Skimonoseki," thus China was for another time in her history ignominously vanquished before the advance of her mighty neighbor. As a consequence its weaknesses were again glaringly revealed to the whole world, and the western Powers commenced another "scramble of concessions," as evidenced by the French occupation of the Coral Islands in the South China Sea, the British occupation and exploitation of western Yunnan.

China is again in the same situation as she was in from 1895 to 1901 when she was plunged into the depths of humiliation and had to prostrate herself helplessly at the feet of the aggressive powers, and China's prestige in the family of nations is necessarily much damaged. China has to turn her attention to the meeting of the Japanese attacks and bombardment of her defenceless cities, rather than to go on with the revision of the unequal treaties. That explains the reason that for a while, the demand for treaty revision was not heard of, while the policy of "resistance," "prolonged resistance," "resistance on one hand, and negotiation on the other," etc. were much talked of.

A Change in Chinese Policy

But after years of bitter experience in dealing with the Japanese, the Chinese have come to the conclusion that it is best for China to meet the Japanese invaders as they come, but at the same time to go on with the former policy of treaty revision. Wang Ching-wei, acting minister of Foreign Affairs, in his statement issued on the day of the enthronement of Pu Yi as the emperor of Manchukuo, stated that China considers Manchuria still in the "state of military occupation" by the invaders, and he urged his people to strive hard for its recovery in the future. T. V. Soong, former Minister of Finance, and chief Chinese Delegate to the World Economic conference, after his return to China, was said to have stated that from his experiences, "the foreign powers did not treat him as a delegate from a country which has lost four provinces." That is to say, the Chinese realize that the world's sympathies are with China, and that China's prestige was not much damaged through the loss of four of her big provinces. This has also had much to do in encouraging the Chinese to resume their former policy of treaty revision with the powers pending the recovery of Manchuria.

According to information from reliable sources, Dr. W. W. Yen, the Chinese Ambassador to Moscow, who returned to China, a short while ago brought with him a long memorandum on China's future foreign policy, which is the result of joint discussion by Dr. Yen, Dr. Wellington Koo, Chinese Minister to Paris and Quo Tai-chi, Chinese Minister to London. We are informed that the substance of the memorandum is to advise the Government to continue the treaty revisions with the powers, but adding that "hereafter it should be the policy of the National Government not to approach any foreign government or its nationals of any country whose out-of-date treaties are not yet revised. The National Government is requested not to employ foreign capital from such country for internal development or any joint-enterprises." In other words, there has been a change of China's foreign policy from dealing with the Japanese exclusively to a policy of meeting the Japanese invasion on the one hand, and of resuming the former policy of treaty revision with the powers on the other. Success with the latter will undoubtedly react favorably for China in dealing with Japan.

Such new policy hits America and Great Britain harder than any other policy. The Sino-British Commercial Treaty of 1902 expired July 28 last year. The Sino-American Commercial Treaty of 1903 expired Jan. 13 of this year. Nanking has been demanding a revision. Already a "second note" is said to have been presented to these powers. There are several reasons for China's action: First: The Chinese realize that to revise the out-of-date treaties whenever they are expired is one of the best ways to eliminate them altogether. Secondly, since the establishment of the National Government, the latter has revised and concluded many "equal treaties" with the powers, but mostly with the small powers. Now, taking advantage of the expiration of these two treaties, China would like to take up the revision with two of her "big" or "principal" powers. Thirdly, if China could succeed in the negotiations with these two powers, other powers would have automatically to follow, thus creating an international situation quite favorable to China, and greatly increasing the prestige of the National Government, or "Chiang-Wang Cabinet" during the present most critical moment in Chinese history.

Nanking Presses Hard For Revision

So China considers the present opportunity as a "golden" one, which should never be missed. Therefore, China is pressing with full force for a revision. Therefore, China is paying a great attention to the present treaty revision with America and Great Britain. Special committees were established to study the Sino-American and Sino-British treaty relations. The Ministry of Foreign Affairs has a Special Committee to study the general Sino-American and Sino-British relations. The Ministry of Industries has a Special Committee to study the Sino-American and Sino-British commercial relations. The Ministry of Justice has a Special Committee to study the extrality problem. One of these special committees is said to have already finished its lengthy report. That is sufficient to say that China is paying great attention to the revision.

It one visits the Chinese book shops, one would be surprised to see how many articles and editorial comments have been written on the Sino-American and Sino-British treaty revisions. That

is also sufficient to indicate that the Chinese masses are paying attention to this matter of revision.

Washington and London in a Predicament

China's desire to employ less foreign capital from any country whose out-of-date treaties with China are still un-revised can be evidenced by the fact that whenever the foreign interests or nationals from the country whose unequal treaty with China is no longer in existence, offer their assistance or capital to China, China welcomes them and at once begins to go into detailed discussion with them over many technical problems of the undertaking. But in the case of foreign interests or nationals whose unequal treaty is still in existence, China is not so straightforward in making a promise. China has to first find out their "intention" in offering the assistance to the Chinese Government. China has to make it clear that the undertaking under discussion should be "strictly in accordance with the Chinese laws," etc. These questions have to be communicated, discussed and agreed upon by the foreign interests or nationals before the Chinese would go on with further discussion. This is because in the case of foreign interests and nationals without the unequal treaty "protection" they have already come under the Chinese law, so there is no necessity to take up this problem. But in case of foreign interests or nationals with unequal treaty protection, China has to make this consent as a "condition precedent" before any discussion could go on. Apparently, the Chinese are quite justified in taking these precautionary steps; for experience has taught us that the foreign interests and nationals under the cloak of the unequal treaties, have always refused to abide the by Chinese laws, and have always refused to pay taxes. According to report, one British coal administration in the Northern China, which came into existence about quarter of a century ago, has never paid the concession dues and other taxes in accordance with the Chinese Mining Law. In that case the accumulated sum amounts to several million dollars. In other words, nowaday China is more glad to have more contact with, and to employ more foreign capital from the foreign countries or nationals whose unequal treaties with China no are longer in existence. On the other hand China is rather "timid" when it comes to having more contact with, or to employ more foreign capital from, the foreign countries or nationals whose unequal treaty with China is still in existence, and who always claim for "treaty rights" or "treaty protection" or "treaty provisions," etc.—in which case China is helpless. The present tendency of the Chinese policy in coping with the situation is :

1.—To have more contact with, and to employ more capital from, the countries with which China is on an "equal footing," and

2.—To have less contact, and to employ less capital from, he countries which do not treat China on an equal feeting, and

3.—To hold up the discussions with the foreign nationals, if they are already in progress for some time, pending the revision of the treaty. This can be proved by the fact that while the trade between China and the foreign powers whose unequal treates with China are still in existence makes no progress or only slow progress the trade between China and the foreign powers whose unequal treaty with China is already out of existence makes rapid progress. The Sino-German trade increased by four-times that of the previous years, while the Sino-American or Sino-British trade made only very slight progress. This is suffiicent to show that the unequal treaties are really doing great "harm" to the powers themselves.

It is not necessary for us to point out that the Chinese foreign policy is justifiable and proper, and that it is not the "closed door policy" of former days; apparently it is far more effective than the closed door policy in demanding that the powers yield to the legitimate Chinese aspirations, and that such policy has much to do with the American and British trade in China. The question before these powers is rather: Whether America and Great Britain would prefer the loss of their dominating commercial position in China's foreign trade and let the other powers without unequal treaties to catch up and to replace them; or whether they will yield to the Chinese demands and come willingly to conclude new treaties with China. If America and Great Britain are open-minded and far-sighted enough, we believe they should at once decide to take the second alternative.

Sino-British Treaty Analyzed

Space does not permit us to deal with all the unequal treaties. Let us now analyze the Sino British Treaty, which would be sufficient to show us how (1) owing to the change of the conditions, many of the provisions in the unequal treaty are already ipso facto abrogated, and how (2) the existence of the unequal treaty serves nobody but only serves as a great impediment to the development of better Sino-foreign trade relations and friendship to the mutual advantage.

This Treaty consists of 16 Articles and 3 Annexes. Articles 1, 2 and 3 deal with the issuance of Drawback, uniformity of national coinage, levy of taxes. But these provisions were ipso facto abrogated by the Sino-British Tariff Treaty of 1928 when Great Britain agreed to restore the tariff autonomy to China. Article 4 deals with the Chinese investment of capital in non-Chinese enterprises, which should be no longer a disputable problem, for at present China has an adequate Company Law to regulate the cases of this kind. Articles 5 and 6 deal with removal of obstructions in the Canton River and other customs facilities, in which direction China has done much. Article 7 deals with the trade mark cases—which is also no longer a disputable problem, for China has already a Trade Mark Law. Article 8 deals with the abolition of Likin, and Article 9 deals with the employment of foreign capital in the development of Chinese natural resources. China abolished likin long ago. China made it very clear repeatedly that China welcomes foreign capital under certain conditions. Article 10 deals with the opening of "Ports of Call." China even made it clear that China would open even the interior to the foreign trade if the powers could relinquish their special privileges in China. Article 11 deals with prohibition of morphia. China is anti-opium enough, so it is not necessary for the Sino-British treaty to provide this provision.

Abolition of Extrality

Article 12 deals with the abolition of extrality in China, China has made great judicial improvement during these thirty years. Both the Russians and Germans who have been under the Chinese jurisdiction all express their satisfaction with the Chinese judicial administration. So it is up to the British to fulfill their promise which they made about 30 years ago.

Articles 13 and 14 deal with exportation of rice, and periodical revision of tariff. These are the Chinese internal affairs. China has regained her tariff autonomy, China has full right to regulate these matters.

Thus, a close study of the treaty will reveal to us that many of the provisions were already ipso facto abrogated; many were already fulfilled by the Chinese; and many were made unnecessary, owing to the change of the conditions. As a consequence, the whole treaty is practically deprived of any value of existence. Yet it still exists to the harm of both sides, and to the bitter opposition of one of the parties. What is true to the Sino-British out-of-date Treaty is equally true to the other out-of-date threaties, concluded between China and foreign powers about three-quarters of a century ago.

Doctrine of "Rebus Sic Standibus" Should Apply

Here is a convincing as well as conclusive example to show that the out-of-date is really incompatible with the existing conditions, and that the doctrine of *rebus sic standibus* should apply. As the situation in China today is materially different from that before, China insists that the unequal or out-of-date treaties should be entirely abrogated, and new ones, based on the principles of equality and reciprocity should be early concluded. So to the Chinese, it is really not exactly a "revision," of the old ones but rather a "conclusion" of new ones. In the new treaties, not only extrality and many other "special rights" must go forever, but also the equity and equality in treatment of the Chinese nationals in the territory of the other powers should be expressly provided. It is because the Chinese abroad are too badly treated by the foreign Governments today. Such is the new foreign policy of Nationalist China.

Nanking, March 17, 1934.

The Odyssey of a Soviet Ice Breaker

One of the Russian dreams throughout the ages has been the maintenance of traffic through the Arctic Ocean, a passage, which when accomplished, is an exceptionally short one between the Atlantic and Pacific Oceans as compared with any other route. Several months ago a huge Soviet ice-breaker *(Chelyuskiners)* started somewhere in the western part of the Arctic Ocean, crashing its way eastward, reaching the Bering Sea about the end of January, when intense storms blowing to the West, prevented it from entering the Pacific. Eventually it was crushed between ice packs, plates were torn off, and the entire crew of a hundred or so had to take refuge on an ice floe—all except two who were killed. The story of its adventures was communicated through its radio and when the latest mishap occurred two heavy Soviet planes were sent to the rescue. One of them, in charge of an intrepid airmen Lapidevisky carried to the Siberian mainland ten or eleven of the marooned crew, including several women and children. Trying it for the second time he got into difficulties.

At last reports the steamers *Smolensk* and *Stalingrad* were unloading planes and fuel at the Oliutorsk Cape. In case of favorable weather, five planes were expected to be able to arrive at the Cape Wellen not later than on March 25. It has been decided to send the powerful icebreaker *Krassin* from Leningrad to the Bering Straits. The Soviet Government has meanwhile accepted the offer of the United States to send several heavy airplanes with American pilots to the Behring Straits to assist in the rescue. The Arctic explorer Ushakov, and the Russian fliers Levanevsky and Slepnev, left Seattle March 16 for Alaska, from where they will fly the two planes recently purchased in America.

Outlook of Japan's Position in the World Is Pessimistic

BY THE REVIEW'S TOKYO CORRESPONDENT

(Translations from various Japanese Publications)

THROUGH preceding numbers of the *Review* the readers must have been able to observe the mentality of Japanese soldiers to some extent. But they are mistaken if they consider it represents the national characteristic of the Japanese. There is in Japan a wide difference between the mentality of professoinal soldiers and that of the common masses. Though tactful in camouflaging, the Japanese are not optimistic and carefree in nature. As might be expected at the suggestion of possible outbreak of war the general public becomes rather restless or depressed than elated, for they know by instinct that war is a burden both mental and material and more likely to destroy their future than reconstruct it.

The forms of things differs according to the angle from which one sees them, but none with sane sense whould consider the position which Japan occupies in the Far East safe and sound. The discussions amply testify to this fact.

Periodicals other than newspapers have shown no sign of abated zeal in discussing questions relative to gloomy outlook of Japan's position in the East or in the world. Such pamphlets as "Study of Extraordinary Time," "The Second World War will reduce Japan into ashes," "What will become of Japan," "Rousing Japanese spirit," each less than 70 pages sold at 10 sen, are piled up for sale at news-stalls at street corners. Most of them are written by nameless writers and published by insignificant publishers. It is noteworthy in this connection that the Tokyo and Osaka *Asahi* reprinted on February 1 articles by prominent Japanese on the 1935 crisis that had appeared in them, in booklet form and are selling them at street corners. As the people will still remember, before the Russo-Japanese War broke out a similar condition prevailed in Japan (Kenkichi Yoshizawa referred to this fact during his speech in the present Diet soon after it was reopened this year).

The following summarized translations are from articles of well known Japanese critics and diplomats on Japan's position in the East or in the world.

Japan's Position in the World

(By Kenkichi Yoshizawa (吉澤謙吉),-Kaizo, March)

The position in which Japan stands in the world is extremely difficult and I am afraid that it would be only after we have been subjected to unspeakably great hardship that we emerge from the difficult situation and even that a worse turn of the situation might not permit that much.

I do not believe we are now in a critical time. If, however, the arrival of a crisis is considered unavoidable in future, necessary measures should be taken to prevent it. Though in the event of our receiving an attack visible or invisible from outside the country we should have recourse to some strict counter-measures to disable it, yet it must be borne in mind that it is only after all measures for peaceful settlement have been exhausted that we may voice the need of resorting to war. To talk of unsheathing the sword beforehand not only contradicts the spirit of Bushido (Japanese chivalry) but affords chance to the third Powers to fish in the troubled water. In our country they talk of war with Russia and America but Japan is too wise to make two enemies at a time. Before going to war with China and Russia Japan tried all possible peaceful measures to prevent them, and it is only after she established intimate relations with the other Powers that she took the final step. Thus, it must be Japan's basic principle to adjust her diplomatic relations with peaceful measures.

With reference to whether there is between Japan and Russia a question whose solution must depend upon armed conflict, I am confident there is no such grave issue pending between them. Even the settlement of the N. M. R. issue, which is regarded the knottiest of all and which, I admit, is fraught with various important elements, cannot be considered as beyond the power of peaceful negotiations. It is therefore beyond our comprehension that, when there is no cause for frontal clash of the two countries, they talk of inevitability of the outburst of another Russo-Japanese War. The basic trouble lies in the difference in national structure and thought. Of course ours are diametrically opposed to the Soviet's, yet it must be admitted that it is unavoidable that the world produces different kinds of national and political structure in such an age as we are in. Especially since such a remote country as America has recently entered into relations with her, how could we remain aloof on the ground of the difference in national structure or in thought? Rumors are prevailing that the Communist Party aims at the world revolution or that upon the completion of the Five Year Plan Soviet Russia will launch a decided movement of Bolshevization of the world. Even if it turn out to be a reality it would eventually lead the country to self-destruction just as in the case of Germany. Thus analyzing, we find no factor grave enough to endanger our relations with the Soviets, the final analysis of the situation disclosing the verbal fight caused by the difference in national structure and thought.

In view of the strong attitude now maintained by Japan and the United States as to the naval ratio, the conference in 1935 will end in rupture. The optimistic element of the people considers the deadlock will not result in a war and that it is unthinkable that in the present depression of the world economy an abnormal state of construction competition will be started. Of course it is most unlikely that the rupture will immediately lead to war, yet it is quite probable that it will bring about a violent competition in naval construction, throwing the three world Powers into an infernal vortex. I am afraid the suspicion and apprehension held by countries abroad against Japan would thereby be greatly stimulated. In such an eventuality it is to be feared that our relations with Britain and America will suffer most. If such be the case, the United States, with her national wealth, would find it quite an easy affair to expend Yen 500,000,000 or Yen 1,000,000,000 for the building of warcrafts. If such an unhappy termination is really unavoidable, it may be that the conference had better be left unopened. Even though, by leaving it unconvened, building competition could not be prevented, yet in this way needlessly whetting ill feeling among nations through the conferenee might be prevented and, moreover, Japan could thereby prevent herself from being exposed to various troublesome questions.

In view of the fact that the Far Eastern questions were discussed at the first Washington Conference, it is not unlikely that at the coming naval conference they may be taken up again for discussion. In this case a series of tangled issues would crop up. Since, however, Japan holds herself responsible for maintaining peace in the Far East, she sees no need of the Far Eastern affairs being discussed at the disarmament conference. Especially, since the coming conference is to be conducted based on the London Naval Conference and since the London Naval Conference did not discuss the Far Eastern issues, it is not at all unreasonable to insist on the needlessness of the next conference taking them up for discussion.

Another important question is that concerning the mandated South Seas Islands. Although we are confident there will be no change in our position in regard to the possession of the mandated territory upon severing our connection with the League in March of next year, yet the nation must be perfectly prepared to stick to its original determination against any obstacles that may crop up.

The year 1935 has in stock various knotty problems for our diplomacy to solve. Consequently due preparations should be made, by completing national defense on one hand and exercising proper diplomatic activities on the other. As regards the ratio issue to be discussed at the next conference, I believe it quite reasonable for us to demand a raise in it in order to meet the changed situation in the Far East. Only we should be careful not to invite misunderstanding of other nations through being oversensitive to their own business.

A most important question that confronts us at present is Japan's trade relations with the rest of the world. In consequence of the development of the seclusionistic economic blocs, which were remarkably intensified since the Ottawa agreement in 1932, Japan has come to find herself in an extremely difficult position. The Japanese make is cheap and good in quality, whereas the countries abroad try every means to check its inflow, To prevent the people from enjoying the consumption of cheap. superior articles by means of artificial measures is like depriving them of their Heaven-given fortune. But the freedom of trade and the maintenance of natural movement of the world economy are beyond our power to realize at this moment, and we have no other means of recourse than the patch-up measure of concluding a treaty which will guarantee a certain amount of

export on one hand and finding more markets in countries in Asia, Africa, South Seas and South America on the other. Japan places much importance in her foreign trade and no small effort has been used in this direction by the Government authorities. Indeed, we are placed face to face with the immediate need of cutting open a way in some way or other. In view of the fact that the cause for the oppression brought to bear upon our product is traceable to jealousy, misunderstanding of groundless suspicion to a considerable extent, the Government is advised to make full use of the service of such an organ as the trade investigation commission and to establish the trade policy of the State.

Lastly what I want to mention at this time is that it is not an exaggeration to declare that it is our Manchurian enterprise that holds sway over the world's confidence in our country; its success or failure is a vital question to us Japanese. If it succeeds, as we trust, our relations with China and the United States will make an epochal improvement. Not only that, the world conditions themselves will be improved and our position will be raised higher. There lies between China and Japan a lot of tangled issues and it is feared that in the light of the existing situation it would be next to impossible to effect fundamental reconstruction of this tangled relation between the two countries. However, if only our Manchurian enterprise succeeds just as we promised the world, I am confident the restoration to normality of the Sino-Japanese relations will become a reality. Since we pledged before the world the perfect construction of the State of Manchukuo, the nation is advised to centre the national policy on fostering up the new State.

Political and Military Crisis of the Far East

(*By Mosaburo Suzuki* (鈴木茂三郎), *Japanese Economist, Feb. 15*)

From Kenkichi Yoshizawa's Diet speech, "So long as no military force is required to check the communist movement," it cannot be said that Russo-Japanese relations are approaching an abyss of a crisis. Likewise Foreign Minister Hirota's assurance in the Diet that he was desirous of applying peace policy to smoothing up the relations with Russia, indicates there is between the two countries no knotty problem that may develop into a crisis.

Litvinov mentioned in his speech at the meeting of Central Executive Committee to the effect that "Since the conclusion of the Peking Treaty down to the end of 1931 there was between Russia and Japan no trouble beyond the power of political solution. Japan of those days did nothing that sowed the seeds of causing apprehension on our part, and we left the frontier region in defenseless condition. Such was the attitude we assumed toward Japan."

Let us seriously study the issues now pending between them. It is true that the various troubles centring around the fisheries began appearing on the surface but this is not so important a question that for its solution the peace in the Far East cannot but be staked. The same can be said of the N. M. R. sales issue, which, though knotty in appearance, is after all a commercial transaction. Thirdly comes the competition in acquiring markets in Manchuria, Mongolia and China. Reports coming in say the latest powerful advance of Soviet goods is a great menace to our trade in these directions, but since the light and sundry industries undertaken by the Five Year Plan are quite negligible it is improbable that the Soviet manufacture advances further into Japan's markets in the Far East. One more source of trouble is the communist movement. Kenkichi Yoshizawa saw that there is no need for our using military force against the communist penetration, and this is because the fascist movement in our country has gathered influence against the communist activities. The advent of the Far Eastern crisis, the cause of which is traceable to this communist propaganda—if such is possible—depends on the ebb and flow of the influence of fascism in our country.

Thus studied, it appears as though there is not a single question which threatens the peace in the Far East. In spite of all this, however, ominous movements of dark clouds are noticeable over the Far Eastern sky.

Let us again listen to the statement by Litvinov, "Later, upon Japan's starting the military enterprise in Manchuria, situations made a remarkable change. Among others Japan pledged not to injure our interest in the C. E. R. In the face of his solemn promise Japan's representatives went so far as to openly trespass upon our profit accruing from the enterprise. However, we did not fail to uphold our peace policy against such violence and challenge. Seeing that the negative attitude shown by us served only to further whet the strong attitude of Japan, we proposed the sale of the C. E. R. so as to keep ourselves out of entanglement. Our interest has come to be threatened not only in the C. E. R. enterprise but in all of our possessions in the Far East, as is evident from the public remarks by Japanese politicians made with the object of capturing Maritime Province and all the other territories in the Far East."

As regards the conditions in our country, we may point out the prevalence of frictions, lending towards future war between the two countries. And besides, what made Ting Shih-yuan (丁士源), Manchukuo's Minister to Japan, resign his post is not only the reported conflict of opinions with Vice Foreign Chief Ohashi of the Manchukuo Government, but, most probably, Manchukuo's Soviet policy and other questions. Until at least two or three months ago the "Manchukuo first principle" had been faithfully followed by Japan at the expense of her conciliatory policy toward Soviet Russia.

As Litvinov pointed out it was not until toward the end of 1931 when the Manchurian Incident occurred that the Far East was buried under a dark stormy cloud of restlessness. Then, how could the creation of Manchukuo gather the storm-clouds?

To answer this question I may point out the fact that soon after the independence of Manchukuo was realized part of the military circle began voicing that since, in the light of the world history of colonial enterprise, the construction of Manchukuo would take 20 to 30 years, the Japanese must be said as being too deeply engrossed in their acquiring immediate interest. Another material for solving the question is represented by a certain newspaper's criticism to the effect that on carefully going over the discussions in the present Diet we can realize that the formation of an economic bloc between Japan and Manchukuo only appears to be an impossibility. It is no doubt through the recognition of these factors that there is born a tendency in Japan to recognize the true significance of the creation of Manchukuo.

Thus, the founding of Manchukuo has little or no economic significance to us Japanese, while its political and strategic significance is very great; hence the independence of Manchukuo can be said as having raised a friction where there is no cause.

As regards the purchasing power of Manchuria, the agricultural crisis prevailing in that country not being the creation of the unduly high rate of freight of the N. M. R. nor of the unfair profit pocketed by middlemen, but of the world economic crisis, it is quite limited. And it is nonsensical to imagine that the vast market of China which we have lost in consequence may be substituted by the farming district of Manchuria. With reference to the production industry, that endless contradictions exist in its relations with home industry has been testified by our past experiences. Naturally we may safely assert that from a broader viewpoint the production and natural resources in Manchuria are significant only as war industry and military resources.

Under the circumstances it is but natural that various subsidiary issues should break out, adding fuel to the already tense atmosphere in the Far East. One of them is the oil industry in north Saghalien under Soviet management. But in respect of gravity none can compare with America's Far Eastern advance.

If I may cite from Litvinov's remarks, since the operation of the the railway transportation is disturbed with force, there is no other way for reviving Vladivostok than to introduce America into Far Eastern trade. Newspapers reported that a certain salt manufacturing company of America has already entered into contract with Soviet Russia for the sale of considerable amount of its manufacture to be shipped to Vladivostok.

How then could this uncalled-for situation be cleared out of the Far East? Litvinov concludes his long speech with remarks to the effect that Soviet Russia want no territory of others and respects the right and interest of Japan, being desirous of leading a peaceful life with Japan as in the past. Continuing, he stated that Japan as a peace-loving nation should first of all restore to normality the Soviet's right to the N. M. R. and attend the sales proposals in a serious mood. And then, as another evidence of a peace-loving nation, Japan ought to sign the non-aggression pact, overtures of which were made two years ago, he added.

Litvinov's remarks coincide with the spirit in which Hirota answered the questions put to him by Kenkichi Yoshizawa in the House of Peers. Yet, we must not forget that the realization of the peaceful settlement of the tangled relations could not be hoped for until and unless the factor which called forth the crisis in the Far East—that is to say, not until we have reduced the political and military utility of Manchukuo as far as we can. Along with this alteration, we must refrain from repeating the utterance which has contributed to nothing but whetting sharper the sentiment of Soviet Russia.

Powers' Armaments in the Orient that Menace Japan

(*By Kenichi Shibata* (柴田賢一), *Serupan, Feb.*)

With the crisis of 1936 near at hand the people are clamorous in discussing a war with Soviet Russia, America or Great Britain, creating a blood-thirsty atomosphere thro ohout the Empire. Some one says, "Japan will start war with Russia," another retorts with, "It is most unlikely Russia goes to war single-handed; but instead she will shake hands with America and direct the united attack against Japan," while still another poses his nose denying their contentions saying "You are all wrong. Japan's enemy is not Russia nor America. It is England." There is still another who imagines Japan will have to face the Anglo-U. S. allied forces, while another butts in and tries to assure the rest in a bombastic way with, "I bet you Japan will have to fight the rest of the world." In this fashion the alarm-bell is rung wild in all classes of the nation.

Although Lieut. Commander Tota Ishimaru seems to believe the crisis will come in 1938, that the critical time is approaching fast is an undeniable fact. It may be that Japan takes up arms even before 1936, and she may have to fight with two or more countries or, in the worst case, with the whole world. On looking back upon the world history of war what strikes us most keenly is that quite an insignificant incident often leads to a great war. Japan is now amply supplied with causes of war and the whole Empire is wrapped in an atmosphere of mature war sentiment. This is why we are afraid of a sudden outbreak of war. Upon deciding on opening fire it is the enemy Power's military strength in the Far East that requires our immediate attention. It is Japan's traditional tactic to quickly despatch the enemy upon declaration of war; she has to deal a death blow to the enemy's forces stationed in the Far East before they are reinforced from home. Thoroughgoing study of Powers' Far Eastern armaments is therefore most imperative.

The Powers' naval strength in the Far Eastern waters are as follows. (The translation is a summary of the original text—Editor):

America : The Asiatic Fleet consists of 1 lage type cruiser, 1 light cruiser, 14 destroyers, 11 submarines, 2 marine sweepers, 1 auxiliary airplane carrier, 2 aviation companies, 10 special service ships, 12 gun-boats in charge of guard along the Yangtse and South Chian. and 1 Yacht. Besides these, there are 9 special service ships for Philippine guard duty and 1 gun-boat and 2 special service ships for the protection of Guam.

Britain : The British China Squadron consists of 1 10,000 ton cruiser, 6 cruisers, 9 destroyers, 17 river gun-boats, 2 aviation sections, 4 sloops, 1 aircraft carrier, and a submarine corps made up of 1 guide-destroyer, 11 submarines and 1 submarine tender. Besides these Britain has East Indian Squadron (3 cruisers, 3 sloops, 2 special service ships, belonging to the Trincomalee Base at Ceylon). Australian fleet, which in case of war will join the British navy at a moment's notice has 4 cruisers, 1 guide-destroyer, 5 destroyers, 1 seaplane carrier and 3 sloops, while the New Zealand fleet consists of 2 cruisers, 2 sloops and 1 aircraft carrier.

France : The French Indo-China Fleet consists of 3 gun-boats, 2 submarines, 3 river-gunboats, 3 surveying ships, 1 submarine tender, all belonging to Saigon base. The French Far Eastern Fleet has 1 light cruiser, 6 gun-boats and 5 river-gun-boats, having their base at Shanghai.

Italy : As Shanghai, its base, Italy's Far Eastern squadron has 1 light cruiser, 1 gun-boat and 1 river-gun-boat.

These are the Powers' naval strength in the Far East. In the light of Australia's planning to build up a powerful navy including the construction of 4 cruisers, Britain's naval conference at Singapore and the American aviation corps' plan to fly further west to Guam and Philippines, the calculation of Powers' naval strength in the Far East should be based on its actual strength. It is to be added that Soviet Russia has gun-boats on the Amur and naval aviation corps, while at Vladivostok she has constructed a strong fortress and the bay floats submarines whose strength is kept secret.

Among the Powers' armies in the Far East the Chinese army is the largest; for the regular army belonging to the Central Government and war-lords combined is put at two million, while our standing army is only 230,000 strong. Next comes the Soviet army, which is superior quantitatively as well qualitatively. The Soviet's forces stationed at various places bordering Manchukuo, from Irkutsk to Vladivostok, comprise altogether 9 infantry divisions, 3 cavalry divisions and various corps necessary for modern fighting. What requires our special attention about the Soviet army is that it has a strong air force and its air corps is stationed at all strategic points not far from Manchukuo's borderline. In China, as everybody knows, aircraft have been steadily developed with German and American capital. It is not an exaggeration to say that the Chinese aviation enterprise is monopolized by Germany and the United States. Our common sense will teach us what the civilian aviation service does in time of war.

"There is on the coast of the Pacific a strong nation which aspires to subdue the whole world.....Whether we want or not we are destined sooner or later to come to frontal collision with it. Under such circumstances America is in great error in not planning the completion of its air force construction." This is William Mitchell's remark made in spring, 1933, in his speech made before the House of Representatives in favor of the creation of the Department of National Defense. No small number of prominent Americans have a similar idea.

"Fearing that she many lose her monopolistic position in the Far East as a result of the industrialization of Siberia, Japan has scrapped both Washington and London treaties and occupied Manchuria. Furthermore, she designs to take possession of China before America's economic hands are place further into the Chinese Continent. That Japan aims at assuming the hegemony of Asia is publicly declared by Gen. Araki." This is the remark made by Carl Radek through this year's New Year number of the *Foreign Affairs*. This is not the idea of Radek only, for Stalin, Molotov and Litvinov also made similar statements.

These two big neighbors hate Japan. They regard Japan's seeking a way out in both sea and land as disturbing the peace in Asia—no country will in future exist as a strong state by remaining simply as a sea Power or as a continental Power. Japan's continental policy is therefore a matter of life and death. Japan is destined to fight sooner or later.

Thrilling Rescue of Officers and Men From U.S.S. "Fulton" by British Vessels

The officers and men from the *U. S. S. Fulton* (a sloop of 1,100 tons) on which a fire broke out while the ship was on patrol duty in Bias Bay on the night of March 14, when a dense fog was in evidence, were rescued by three British vessels, (one a merchant ship and the other two destroyers) under such circumstances as to call forth an appreciation in the press from Douglas Jenkins, U. S. Consul General at Hongkong. The rescue work was accomplished by the s.s. *Tsinan* and H.M.S., *Wishart* and H.M.S. *Whitshed*.

No lives were lost; one man gassed, one with a broken arm, one with a broken foot, were the principal casualties. An enquiry is being held into the cause of the accident, which is stated to be without parallel in the annals of the U. S. Navy. The s.s. *Tsinan*, first on the scene, was instrumental in bringing the *Wishart* to the spot by sending up rockets. Lieut. Phelan of the *Fulton* paid a tribute to the wonderful skill of Commander P. Todd, of the *Wishart*, who, despite a heavy swell, drew alongside the bows of the *Fulton* and enabled the crew to jump to safety one by one. The officers and men isolated in the stern jumped into a raft launched by the British destroyer, while two boat-loads of the crew were picked up by the *Tsinan*. The American man-of-war for a time drifted towards the shore, blazing from stem to stern. Later the *Whitshed* towed the burned-out hulk to Junk Bay, near Hongkong. An explosion in the *Fulton* during the towing endangered the *Whitshed*. A V-shaped hole eight feet long and eight feet deep in the bows of H.M.S. *Wishart*, together with six ripped plates, were mute evidences of the great peril of her maneuver when she was stationed alongside the burning *Fulton*.

Tokyo Message Says British Legation Is to Be Moved to Nanking

A recent dispatch from Tokyo said that Sir Alexander Cadogan, the new British Minister to China, is preparing to transfer the British Legation from Peiping to Nanking. Japanese political circles understand that Great Britain is of the opinion that the Nanking National Government as well as General Chiang Kai-shek will continue in power, especially in view of the downfall of the Fukien Peoples' Government. Great Britain therefore, it is said, plans a closer rapprochement with Nanking. Japanese observers predict that the transfer of the Legation would probably be marked by an increase in Great Britain's trade with China. They also contend there is a connection between this reported move and British activity in Tibet and Yunnan.

Reflections on Henry Pu Yi's Enthronement

BY PAUL K. WHANG (汪仲芳)

THE enthronement of Henry Pu Yi in Manchuria has had but a little reaction upon the Chinese populace who have just spent themselves in the celebration of the Chinese New Year. As if they are still in holiday spirits, they, therefore are fully occupied with the happy thoughts of the new season, and would not permit any new happenings in Manchuria to disturb their care-free attitude. Or the puppet show which has been enacted in Manchuria for about two years has become too monotonous and insipid to amuse the onlookers in this part of the world.

Aside from the bitter denunciations of the Chinese press, the Chinese officialdom and the general public have kept a strange silence vis-a-vis this new development in Manchuria. The Nanking Government, besides issuing a belated mandate against Pu Yi and a brief declaration under the name of Wang Ching-wei for domestic consumption, has been careful enough not to do anything which will lead to straining the present "friendly" relations with the Japanese militarists. The Chinese people, which were so eloquent two years ago, have also lost their eloquence and seem to have once again lapsed into their deep slumber.

This attitude of indifference and resignation on the part of Chinese people, it must be pointed out, is not due to the fact that their patriotism can not last longer than five minutes, but to the fact that they have been acutely disappointed at finding the impotency of the Nanking Government in formulating a definite and strong Manchurian policy to cope with the situation. Their patriotic fervor has given way to bitter disappointment, and their acute sense of despair has made them inarticulate and passive.

That Pu Yi, be he an executive or an emperor, remains a Japanese puppet is a fact known to all. Therefore his enthronement will not in any way affect his status as a Japanese slave. But the motive behind this farcical comedy is worthy of close watch. It is generally conceded and acknowledged that Pu Yi's elevation to the throne represents but another step forward in Japan's Continental Policy. In crowning Pu Yi, the Japanese have intended to kill two birds with one stone: First, to strengthen the tie between "Manchukuo" and Japan, and, secondly, to please the monarchy-inclined Mongols so as to pave the way for the ultimate annexation of Mongolia into "Manchukuo."

Soviet Tension Delays Action in North China

It is an open secret that the Japanese militarists, besides being intent upon the annexation of Mongolia, have also designed to extend the southern boundary of "Manchukuo" to the Yellow River and to have its capital transferred from Changchun to Peiping. They would long ago have poured their soldiers into North China, but for the fact that they had to temporarily call a halt to their aggressive policy because of the tense situation existing between Soviet Russia and Japan. As soon as the Soviet-Japanese problems have been definitely settled, the Japanese militarists will once again have a free hand in pursuing their long cherished designs against China.

In face of these realities of the situation, the Chinese government so far has been fully occupied with domestic troubles and has not yet been prepared to meet the new Japanese aggressions. General Sun Tien-ying's persistent refusal to leave Ninghsia has continued to be a source of trouble in North China. In view of his past relations with Marshal Feng Yu-hsiang, his present coup should not be passed as a merely a local incident, which, if not suppressed at once, will likely have great repercussions upon the political situations in North China.

Red-banditry continues to be rampant in Kiangsi, Hunan and Szechuen. At one time, Kiukiang, a river port of Kiangsi, was nearly captured by those ubiquitous bandits. It is doubtful if the assumption of office by General Chang Hsueh-liang as the Deputy Commander-in-Chief of the Bandit Suppression Forces will help the situation very much. In this connection, one wonders whether the Young Marshal will still pursue his famed policy of non-resistance and become a confirmed pacifist.

The political clouds over South China are still ominous. True, the Fukien Rebellion has been liquidated, but the differences between Canton and Nanking have been far from being patched up. General Chiang Ting-wen, Commander-in-Chief of the Government Bandit Suppression Forces in the five Southwestern Provinces, has recently visited Canton and had a personal conference with General Chen Chi-tang, Commander-in-Chief of the Kwangtung Forces. Although the results of their conference were said to be satisfactory, we, however, have informed that General Chen promised only to lend a hand to the government in suppressing the bandits on the condition that Nanking must first pay him a sum of $15,000,000 to finance the Kwangtung Forces. In other words, the strong man of Canton is once again playing the old game of selling his loyalty and service at a price. Moreover, the Southwest Political Council has maintained its continued uncompromising attitude towards the Nanking Government, and has recently issued a circular telegram strongly criticizing Nanking in connection with Pu Yi's enthronement.

In the meantime, news from Hongkong has informed us that the ousted Fukien rebel leaders including Generals Chen Ming-shu, Li Chi-sam and many others are attempting to stage a come-back, and that a new organization known as the Political Revival Party in opposition to Nanking has come into existence in Hongkong. Hu Han-min is said to have agree to take a lead in the new move on the condition that the former Fukien rebel leaders discard their policy of siding with the communists and using an anti-Kuomintang platform.

While the authenticity of this news is open to question, the fact that the political enemies of the Nanking regime have not relaxed their efforts in planning its downfall is certain. With most of the ousted Fukien rebel leaders now sojourning in Hongkong, it seems likely that they, under the aegis of a foreign power, will gather their strength and initiate a new move in opposition to Nanking. Possibly, prompted by the fear that Hu Han-min may be induced to join a new political organization, the Nanking Government has now renewed its endeavor to persuade him to come back to Nanking.

Political Situation as Confused as Ever

In view of the above, we are safe to say that the political situation in China is as confused as ever. The suppression of one rebellion has given rise to many other rebellions, and this painful process has gone on for ever. While we have not been able to devise effective means to recover our lost territories, we have been equally negligent in formulating measures to safeguard our territories against further Japanese aggressions. We have wasted our energy and resources in our endless civil wars, and plunged ourselves headlong to ruin and the deuce.

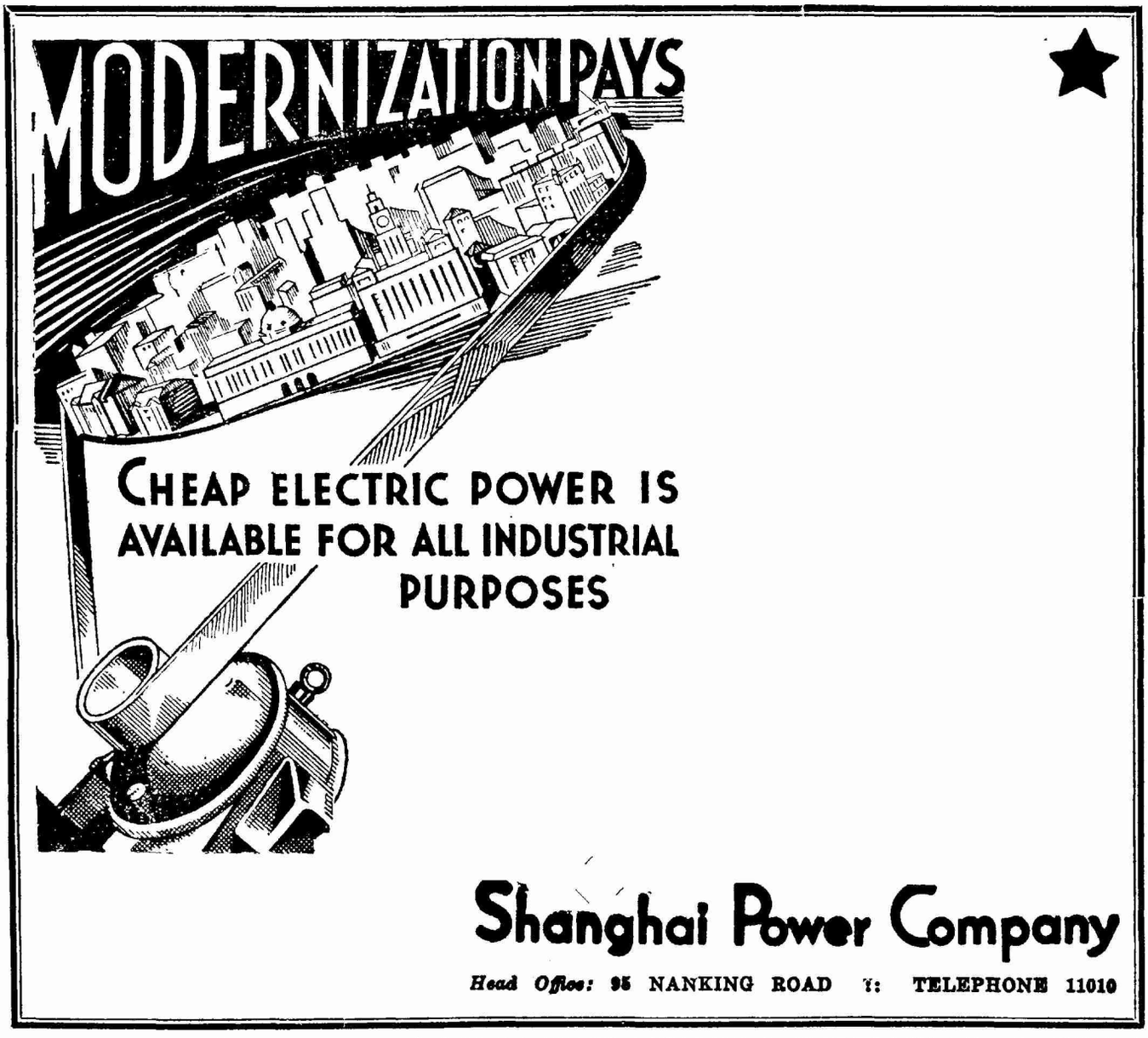
In commenting on Pu Yi's coronation, Karl Radek, the Soviet journalist, remarked, "Japanese militarism is convinced that new Wu Shan-kweis will be found who in face of the new revolutionary upheaval of workers and peasants will prefer to continue Chiang Kai-shek's path to the end. With this in their minds, the Japanese military established the throne, placing on it the last offspring of the Manchu dynasty."

This historical instance as cited by Mr. Radek deserves our careful attention. Wu Shan-kwei, it may be recalled, was a general of the Ming dynasty, who, finding his inability to quell the rebellion staged by a bandit leader named Li Sze-zung, appealed to the Manchus for armed assistance. The Manchus, taking advantage of this offer, rushed forces from Manchuria to China Proper and thereby marked the beginning of the Tsing dynasty. Gen. Wu was first awarded a dukedom by the Manchu emperor, but later ousted on the ground of his alleged rebellion. He has since been looked upon by the Chinese people as a traitor to the country.

In citing this instance, Mr. Radek has distorted the facts for the obvious purpose of making them more suitable for propagating the Soviet cause. As a matter of fact, Gen. Wu begged the armed assistance of the Manchus not for the purpose of suppressing the revolt of peasants as alleged by Mr. Radek, but for rescuing the lives of his family members, especially that of his noted concubine, Chen Yuen Yuen, who was captured among others by Li Sze-zung. Thus it was purely for his personal interests that he invited "the big bad wolf" and caused the downfall of the Ming dynasty.

Will history repeat itself? Will our self-centered political and military leaders who have always placed their personal interests above national welfare follow the example of Wu Shan-kwei by begging foreign help for rescuing the lives of their favorite concubines or saving their personal fortunes? This question of course can be only answered by time. However, it is pertinent to remind those would-be Wu Shan-kweis of the tragic fate which marked the end of Gen. Wu's ignominious career and also the infamy which he brought upon his head and his house.

Shanghai, March 17, 1934.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Bank of China Made Ten Million Dollars Profit Last Year

The statement of the Bank of China as of December 31, 1933 shows the total cash to be $ 121,708,334.21. Deposits amount to $227,154,807.71. The net profit for the year amounted to $10,734,244.84. The Central Bank of China was established under government mandate on November 1, 1928 and the head office occupies the premises at No 15 the Bund, Shanghai, in former years occupied by the Russo-Asiatic Bank,

Huge Imports of Artificial Silk, Especially from Italy

Despite high tariffs on artificial silk, the imports to China especially from Italy, have been growing to huge figures. The total value of artificial silk imported to China during last year was Chinese Customs Gold Units 5,357,481.00; the amount imported was 5,816,837 piculs which was made up as follows:

From Italy	2,379,884 piculs
From Germany	1,864,623 piculs
From Netherlands	786,957 piculs
From Great Britain	325,997 piculs
From Japan	175,134 piculs

The Cotton Industry Commission of the National Economic Council has sent experts to the province of Honan to investigate the conditions of cotton growing. A Cotton Improvement Committee for the province of Honan will be soon established under the direction of the Cotton Industry Commission. Experts are now inspecting the Tai-kang and other cotton growing districts.

Road Construction Makes Progress in Fukien Province

Chen Ti-cheng, Provincial Commissioner of Reconstruction for Fukien, told press representatives in Foochow, Mar. 16 that about half of the 500 li highway (170 miles) between Pucheng and Kienyang in northern Fukien has already been completed. The whole road is expected to be ready for traffic in the beginning of May.

The total mileage of highways under construction in northern Fukien is about 3,000 li (1,000 miles); construction expenses are estimated at $1,300,000. Mr. Chen, who has recently returned from a trip to Nanking, said that the National Economic Council has agreed to appropriate a sum of $700,000 towards the expenses.

The proposal of the National Reconstruction Commission for the construction of a light railway on the southern bank of the Huai Ho (River) in western Anhwei has been approved by the Ministry of Railways.

Shantung Hard Hit by Lack of Remittances from Manchuria

The economic distress in Shantung province was discussed in a speech at the Shantung Christian University Mar. 16 by Chang Hung-lieh, Provincial Commissioner of Reconstruction. Dumping of foreign goods on the domestic market and rural bankruptcy are the chief causes for the present economic distress in the province, according to Mr. Chang. He said that, due to the huge influx of imported goods, there is an adverse balance of $400 millions annually in favor of foreign countries. The remittances from Shantuug traders and workers in Manchuria had practically ceased with the Japanese rape of the North-eastern provinces and the negligible quantity of staple exports from Shantung have reduced the provincial wealth by $130 millions. The speaker stressed the need of developing local industries.

Cotton and Wheat Loan to Be Reduced

It was announced in Nanking, March 13 that the $50,000,000 gold credit granted China for the purchase of American cotton and wheat, is likely to be reduced to $30,000,000 at China's request.

Big Order for Chinese Railways Placed in England

The Chinese Government Purchasing Commission March 19 ordered 10,000 tons of rails for the Canton-Hankow railway and 7,000 tons for the Shantung railway to be delivered in Hankow before July. The orders were divided between the Dorman Long Co., and the Cargo Fleet and Iron Co.

Hopeful Elements in Chinese Economic Life

BY ARTHUR G. COONS

Dean of Men and Associate Professor of Economics, Occidental College, Los Angeles, California; Visiting Professor, College of Chinese Studies, Peiping.

IT is easy to find the dark side of life in China, in fact anywhere in the world, today. We are immersed in "tasks" of recovery and reconstruction. Solutions are more difficult to find, particularly satisfying solutions. Especially in China every solution presented for a particular problem seems to depend upon some other factor or factors and we find ourselves all too frequently going in circles. China is not alone in possessing these economic and social whirlpools of relationship. But it is hard to break through the circularity and stand on solid ground. China seems full of dilemmas, some the resultant of recent events and forces, other quite old. One comforting thought is that we all have dilemmas these days.

It is not easy to find the hopeful elements. At first glance China's economic picture contains little upon which extensive optimism could be based. With the basic problem of food starkly staring one in the face continually, with no evidence that birth control as the only fundamental means of solution is taking hold, with little apparent realization of the severity of the population problem; with the whole rural economy shaken seriously by low prices, internal disorder, oppressive taxation, opium production, floods, mounting imports of competitive agricultural products; with brigandage still rife; with a mounting unfavorable balance of visible trade and all international accounts with trade and industry paralyzed while the balance of the world is beginning to take the first steps towards recovery, with a rising value of silver threatening; with militarism still in the saddle, with a political situation that continues to be precarious to the maintenance of the semblance of national unity that does exist and which seems to preclude extensive reconstruction, with the government facing the imminence of a serious financial crisis, with the constant threat either of invasion from abroad or further domination of definite areas if not of the Central Government itself from without; —with all these troubles at hand it would appear that there would be little hope and that an attempt to discover hopeful elements would be doomed to failure.

However no economic or political situation is ever without hope if among the people enduring the apparently hopeless condition there are those who are aware and thoughtful and vocal. There are elements in the present day economic life of every country upon which a surer foundation for each nation's prosperity can and probably ultimately will be laid. Just as the past continues into the present so elements of the future are here now. But we must look beyond the travail of sifting the wheat from the chaff, beyond the struggle for power that inevitably accompanies great transitional changes, beyond the events of the day to the broader outlook and to the trends which may quietly be establishing themselves. Retrospect as well as prospect is required and also the ability to see change which has already occurred. One need not claim to be a seer or a prophet to desire and attempt to see whatever good resources of the future may now be revealing themselves. One cannot claim ability to see all correctly. One can believe however that China cannot be all black any more that one can believe that anyone of our leading Western nations, in regard to which its nationals in China can so easily become sentimental, can be all white. We deal of course both with differences of degree and of kind, but do they not all yield various shadings of grey?

China's most evident resource in power is her people. The black side is that there are too many of them. No one knows how many too many, but they are here and they should be used. They must be used. Human energy is a tremendous national resource. The human factor is the basic factor and in this case it includes people with a remarkable perseverance and patience in labor, with industry, resourcefulness, economy, with an adaptability and an ability to learn, both ideally and mechanically, with vitality and strength, and withal possessing a fortitude and a cheerfulness in the face of adversity. These characteristics of the Chinese people impress me daily more and more.

Although their self-confidence may run to a supreme reliance upon their own judgment and methods, based upon ignorance, although conservative and although often lacking in initiative, this self-confidence itself is a resource to be preserved. No gain can come from saying that China save herself. In fact whatever salvation she does achieve she must accomplish herself. China can learn. She has already learned both from abroad and from herself. Furthermore China's long history shows that in earlier years she possessed an inventiveness, a scientific and experimental attitude, perhaps surpassing the present, to which she should seek again to attain. This is a part of her own heritage. But unless China learns and applies she as China will not be saved. No amount of doing things for her will ultimately work. Whatever comes in China must and will be Chinese. The very facts of her unwieldy size and essential characteristics make impossible any stiff pattern of transformation.

The first task is to use the labor resource more effectively. Yet it is just here that careful research is now being conducted. By controlled experiment in a large number of provinces efforts are being made to discover the crops best suited for different regions, and some remarkable results have already been achieved. The work of the agricultural schools and experiment stations of leading universities such as Lingnan, Nanking, and Yenching and many other similar educational institutions is most encouraging. The appreciation of the gains to be achieved from the application of the scientific method is growing, even if slowly. Soil surveys, seed selection, control of insect pests and fungroid diseases, better actual methods of sowing seed, planting, and cultivation, the use of and improvement of implements and farm animals, the possibilities of farm or field concentration and cooperative farming,—all of these mean finally the more effective use of labor. China has already "the best cultivation and conservation that the world has ever known" but when all elements are considered in reference to the traditional methods of agriculture and the demands of the people an even more rigorous exploitation is required. Professor H. H. Love, the agricultural adviser to the Ministry of Industries states, "With the wheat and rice crops it is a comparatively simple matter to increase the production . . . . One must recognize that there is no phase of China's agriculture which cannot be improved by giving it the proper attention." A very large part of China's rural difficulties are due to intra-Chinese causes and are definitely curable. The new possibilities are being learned. The Central and local governments through experiment stations, rural lecture bureaus, model farms, farm exhibitions and demonstrations, local elementary agricultural schools are helping and taking an interest in a broad range of economic problems. The realization is present of the necessity of bringing the work of all of these scientific agricultural organizations into direct relationship with the ordinary practice of the farmers, namely of getting down to earth and of training and educating young men to appreciate the needs of rural life, not to become so urbanized during their years of training as to rise above the farm but to return to rural life to lead and serve. One very hopeful thing here is the awakening of provincial governments to their responsibilities and opportunities.

While there are some possibilities of extending the area of cultivated land, while various projects for increasing productivity through huge irrigation schemes as well as the digging of wells are going forward, each of which contains some hope, most observers look for an increase of productivity through more intensive farming, rather than through extension of area, finding therein "the brightest immediate hopes,"—intensification as to type of crops, rotational combination and number of crops, and method of cultivation and fertilization. That China can make shifts in crop production on different soils is attested by the fact that within the past two centuries many new crops have been introduced,—peanuts, maize, potatoes, sweet potatoes, buckwheat, rye,—and also by the increased production of tobacco and cotton, these latter shifts having been made within more recent times as the profit element in these crops revealed itself as greater than from other uses of soils.

The work of the Mass Education movement is demonstrating in a concrete way the possibilities of rural reorganization in every aspect of rural life. It as well as other movements sees clearly that the rural problem is not solely one of improved agricultural technique, but is also social in nature and that broad insitutional foundations must be laid. It sees clearly the importance of training and education in every field where reconstruction is desired. This movement with its present achievements represents one of the most promising elements in China's present economic life. Likewise in all other areas of education the matching of cultural studies with technological and vocational curricula both of a theoretical and practical nature is in the right direction. So also is the emphasis on Chinese studies in contrast to a rigid Western curriculum. Each of these efforts is but indicative of far broader and more profound achievement which may yet come to pass.

Though not all students will agree, the disintegration of the family system, which is being felt, is a hopeful sign. Not that it dare be too rapid, since China seriously needs the continuance of the elements of social control discoverable therein until she has developed other institutional relationships to take their place, of equal binding force and sanction. But from a modern world economic viewpoint the tradition of family organization has been one of the greatest weaknesses of modern China destroying as it has both individual freedom and broad social cooperation. More and more is now being written and spoken in China on the necessity of social cooperation and this can bear fruitage. Recently it has been suggested by Mr. Wang Ching Wei that a fourth principle,—the principle of cooperation,—must be added to Dr. Sun's San Min Chu I.

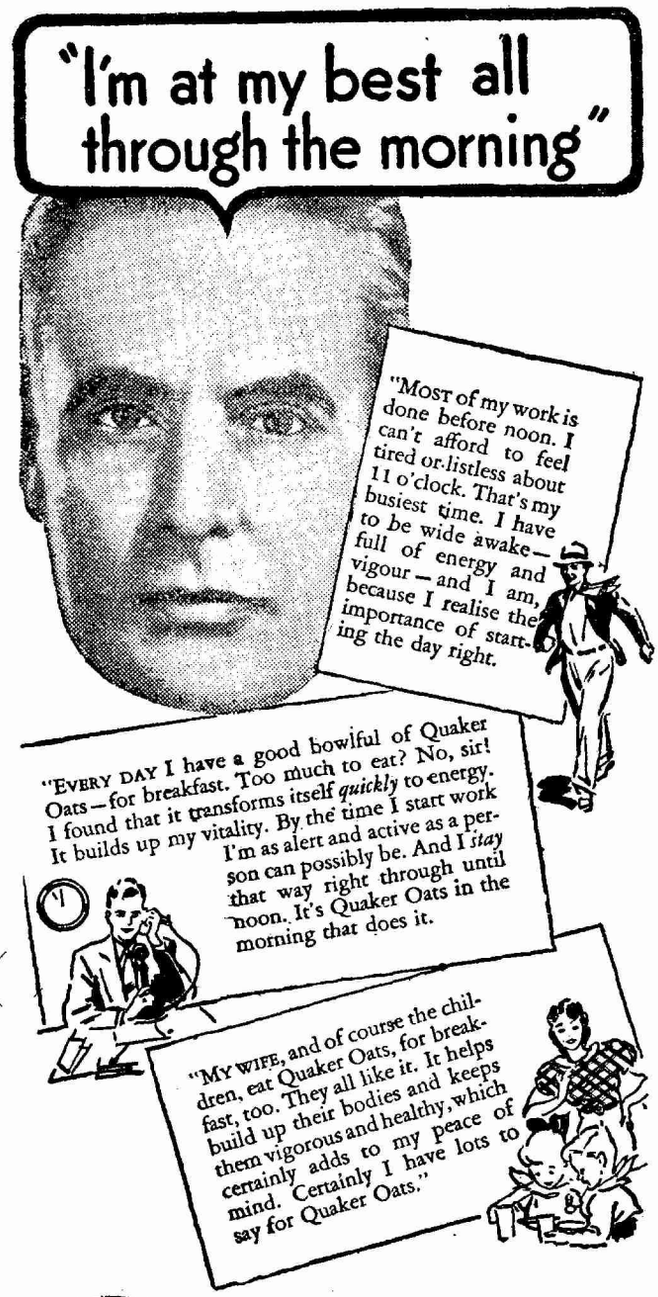
Cooperation is growing. The cooperative marketing and cooperative credit societies hold great promise. With the work of the Central and various provincial governments, augmented by the aid of the China International Famine Relief Commission, certain universities, and the active cooperation of leading banks, the cooperative movement now embraces over 3000 societies and touches the economic life of perhaps 1,000,000 farmers. A significant step occurred recently when a new agricultural credit agreement was reached between the Relief Commission and three leading banks under whose terms these three banks undertake to extend credit to the cooperative societies under the Commission's supervision without the participation of the funds of the C.I.R.F.C. Although the funds available hereunder, $200,000, are not large, this is an entering wedge for the fuller utilization of bank credit in the direct financing of China's major industry.

The use of bank funds to assist agriculture is growing although still quite small. The various farmers' banks which have been established by provinces and the suggestion for a Central Agricultural Reserve Bank under Central Government auspices are all in the right direction. Between $500,000 and $700,000 of support from Shanghai banks have already gone into rural credits. Certain banks have established experimental work, and rural rehabilitation committees thus revealing an awakening consciousness upon the part of the capital gathering organizations of the role they yet can play.

The rural cooperative societies are becoming nuclei for for more than credit improvement. In seeking to improve their financial position they necessarily become interested in improved marketing, with an insistence upon standards and quality, with an attempt to eliminate the short-sighted and sharp practices characteristic of much buying and selling, and in the elimination of losses in transit and processing. They become channels for the spread of information and an appreciation of scientific data.

Somewhat similar as a resource are the farmers' unions. The zeal for agricultural reform which characterized the earlier farmers' movements, which gave support to the Nationalist Party in its years of national unification and government formation, represents a hopeful expression, and though to some this movement is fraught with danger politically because of supposed radical leanings, to one who is sincerely interested in the improvement of the lot of the rural masses, even more than in the maintenance of a particular clique in control of the government, this awakening

(*Continued on page 147*)


"I'm at my best all through the morning"
"Most of my work is done before noon. I can't afford to feel tired or listless about 11 o'clock. That's my busiest time. I have to be wide awake—full of energy and vigour—and I am, because I realise the importance of starting the day right.
"Every day I have a good bowlful of Quaker Oats—for breakfast. Too much to eat? No, sir! I found that it transforms itself *quickly* to energy. It builds up my vitality. By the time I start work I'm as alert and active as a person can possibly be. And I *stay* that way right through until noon. It's Quaker Oats in the morning that does it.
"My wife, and of course the children, eat Quaker Oats, for breakfast, too. They all like it. It helps build up their bodies and keeps them vigorous and healthy, which certainly adds to my peace of mind. Certainly I have lots to say for Quaker Oats."
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68-155

Chinese Airmen Attract Huge Crowds at Hungjao

The largest crowd ever to gather at Hungjao Airdrome assembled on the afternoon of March 18 on the occasion of the christening of four new planes. Two of them were Junkers ships purchased by the Tien Chu Seasoning Powder Manufacturing Company. They were christened "Tien Chu No. 1" and "Tien Chu No. 2" respectively by Mrs. Wu Te-chen, wife of the Shanghai mayor, and Mrs. Wu Yun-chu, wife of the general manager of the Tien Chu Company. An English plane and a French plane, both purchased by Tu Yueh-sen, wealthy Chinese resident of the French Concession, were christened "Yueh Hui" and "Yueh Wen" respectively by Mrs. Tu Yueh-sen and Mrs. Chang Hsiao-lin. The "Yueh Hui" was presented to Captain Sun Tung-kiang, best known of Chinese fliers. Shaoshing (a Chinese spirit) was used in the christening ceremony.

Among those present on he reviewing stand were Mayor Wu Te-chen of the Municipality of Greater Shanghai; Sze Liang-tsai, publisher of the *Shun Pao*; Tu Yeh-sen; Yun-chu, general manager of the Tien Chu Seasoning Powder Manufacturing Company; Wang Hsiao-lai, chairman of the Shanghai Chinese Chamber of Commerce; Yu Ya-ching, local shipping magnate and Lin Wo-chiang, general secretary of the China National Aviation Association. The Central Kuomintang and Executive Yuan was represented by Dr. Chu Min-yi, Captain Shen Te-hsien, delegate of the Aviation Administration in Hangchow; Sun Fo, president of the Legislative Yuan; General Mao Pang-chu, principal of the Central Aviation Academy at Chienchiao, Hangchow; and Li Ching-tsung, managing-director of the Eurasia Aviation Corporation.

The principal attraction of the day was the "air circus" held under the direction of Captain Sun with the assistance of a group of expert pilots from the Hangchow Aviation Academy. Captain Sun and Kao Chih-hang first gave a very creditable exhibition of stunt flying, after which nine fighting planes from Hangchow participated in a fine formation flight. The latter, at the conclusion of the demonstration, flew back to the Hangchow, together with "Tien Chu No. 1," which was a present to the National Government. The day's proceedings were carried through without the slightest hitch—a red-letter day in China's aviation history.

On the recommendation of the Ministry of War, the National Government has conferred on Sun Tung-kang, the well-known trans-continental flyer, a First-class, Grade A, Medal of Honor. Mr. Sun is proceeding to the United States this autumn to receive three years' advanced training in aeronautics.

France Is World's Strongest Air Power

A recent statement made by the British Prime Minister, Ramsay McDonald, was that France has the strongest air force in the world; ranking next to her in power is Soviet Russia. The Soviet Union is believed to possess approximately 1,400 planes of first-line strength, although the total military strength is unknown. What surprised Mr. MacDonald's hearers was to learn that the Soviet Union should be second in air strength, although the United States, reputed to have 1,050 first-line planes and a total military strength of 2,300, hitherto had been ranked by most military experts as second to France. The military air strength of the leading Powers was reported as follows:

	First line	Total strength
France	1,650	3,000
Russia	1,400	——
United States	1,050	2,300
Italy	1,050	1,507
Britain	850	1,434
Japan	800 to 1,000	1,939

Miss Maryse Hilz Starts Return Flight to France

Miss Maryse Hilz, France's "good-will ambassador of the air," departed from Tokyo March 20 for Seoul, capital of Korea, on her return fight to France. She is expected to stop over in Shanghai about a week.

Democratic Senator Tells of Alleged U. S Air Mail Fraud

Defending President Roosevelt's cancellation of air mail contracts, Senator Robinson, Democrat leader, told the U. S. Senate Mar. 15 of an alleged fraud in connection with the contracts, which was accomplished with the connivance of former Postmaster-General Walter F. Brown, and some of his chief deputies.

Clarence Chamberlin, the airman who made the first New York to Berlin non-stop flight, told the Senate Committee Mar. 16 that his investigations proved that the United Air-lines Corporation and the Eastern Air Transport Co. had formerly used inferior planes when superior planes were available. He blamed the joint ownership of air-lines and aircraft factories for the situation.

Colonel Lindbergh reiterated a former complaint that the air-mail contractors were "convicted without a trial." He refused to express an opinion on the validity of the contracts and condemned the Administration's air-mail bill. He also opposed a permanent subsidy to air-lines. He charged that the Army Air Corps was sent aloft with the air-mail without sufficient preparation or proper equipment, adding that the Army's equipment was not designed for the mail service.

Byrd Expedition Encounters Another Misfortune

To the long series of misfortunes which have befallen the Byrd expedition, another was added when an expedition plane crashed and was wrecked, just after it started on a test flight, a recent telegram from Little America, Anatarctic, stated. One of the four occupants of the plane was seriously injured.

Hongkong to be Far East Aviation Center?

The Shanghai *Chen Pao* says that Hongkong will shortly be made the centre of aviation in the Far East if all the contemplated air routes are established. The British Imperial Airways are contemplating the establishment of a line between Shanghai and Hongkong while the Sino-American Air Route is also to be inaugurated shortly. When these air routes have been formally inaugurated they will make Hongkong their central station and all mails will first be centred at Hongkong and then distributed to the world by the two air lines.

New Chinese Air Lines to Be Inaugurated

Two new air lines are being inaugurated during this month by the Eurasia Aviation Company. One of the lines will be between Peiping and Sianfu and the other will be between Sianfu and Canton. Test flights on both of the two new lines have already been made.

Aerial service on the Peiping-Sian section of the new Peiping-Canton Airway was started March 13 when an airplane of the Eurasia Aviation Corporation, with one passenger and several bags of mails, landed in Taiyuan from Peiping.

Lin Wo-chiang, Secretary-General of the National Aviation Association, conferred with the authorities of the Aviation Administration in Nanking last week concerning the establishment of a Flying Club in Shanghai.

Test flights on the Canton-Lungchow (Kwangsi) Airway were satisfactorily completed with the return of the airplane to Canton March 17. Trial flights on another airline of the Southwestern Civil Aviation Corporation between Nanning and Kueiyang, respectively provincial capitals of Kwangsi and Kueichow, have also been successful.

A message from Kueiyang, provincial capital of Kueichow March. 14 stated that the airplane conducting a trial flight on the Nanking (Kwangsi)-Kueiyang Airway safely arrived there the previous day.

Airdrome Plans Discussed at Kiukiang

At a meeting held in Kiukiang March 10 at in the headquarters of the local Defense Garrison attended by General Chen Lai, Commissioner of Defense, Magistrate Pao Kung-jen and many local government and bureau representatives, the question of enlarging the airdrome at Kiukiang was thoroughly discussed and a Preparatory Committee was consequently formed to make plans for the immediate construction of a large airdrome in said port.

China Cooperates with Britain for Through Service

With a view to securing more rapid postal service between Great Britain and China, the Ministry of Communications is negotiating for the institution of airmail connections between the two countries. The plans provide that the British Government be responsible for the operation of the air service on the British section connecting London, India, British Malaya and Hongkong,

while the Chinese Government is to make a link-up with the airline through the Canton-Shanghai planes of the China National Aviation Corporation and the Southwestern Civil Aviation Corporation.

Britain Speeds Up Airmails

The British Imperial Airways will institute during April a further speed-up on the Empire air routes. India is now within six days of London and Capetown within ten days. By the new time schedule the flight from England to Karachi, India, will be reduced to five days, to Singapore eight days and to Capetown nine days.

A British light plane suitable as a mail-carrier or tourer with a normal speed of 202 miles made over 250 miles with a favoring wind at trials held at Gravesend, England, March 16.

Growing Opposition to National Lottery

The Peiping *World Daily News* comments:—"We have more than once urged the National Government to discontinue the State Aviation Lottery. We realize the necessity of China developing her air force but we feel that the Government must devise a definite plan to raise the necessary funds for this purpose and maintain that the present system of raising such funds by the issue of state lottery tickets is not only unsatisfactory but detrimental to the public welfare. Twelve Kuomintang organizations in North China have addressed a joint telegram to the Central Kuomintang in Nanking, urging it to order the Ministry of Finance to abolish the state lottery. If this telegram produces the desired effect, it will be a blessing not only to the lower classes of people but to the country as a whole.

League Investigates Illicit Traffic in Narcotics in "Manchukuo"

The Secretariat of the League of Nations March 17 circularized all nations in a position to procure the necessary data, including America and the Soviet Union, for information relating to the production, sale and use of opium and other drugs, as well as details regarding illicit traffic in narcotics, in "Manchuria and Jehol territory, also known as Manchukuo" in conformity with a recommendation by the Opium Advisory Committee. This wording was designed to placate those members of the Committee who have contended that the use of the word "Manchukuo" would imply, in a sense, recognition of the new State.

Opium Growing to Be Prohibited in Anhui

The Anhui provincial authorities are taking vigorous steps to suppress opium cultivation throughout the province. The provincial government has issued a circular order to the magistrates of the sixty-one districts in the province instructing them to remove all poppy plants grown in their respective districts. The order declares that if they do not carry out the instructions effectively within ten days they will be severely punished by the provincial government.

Abolition of all offensive and extravagant habits such as opium-smoking, gambling, feasting and drinking, was ordered by General Chiang Kai-shek, in identic instructions to the military units and organs throughout the country March 14.

Hunan Students Not to Be Allowed to Smoke Cigarettes

The Department of Education of the Hunan Provincial Government has issued a circular order to all educational institutions throughout the province prohibiting students from smoking cigarettes. The order declares that students who violate this order are liable to receive severe punishment from the authorities. The new ruling applies particularly to primary and middle school students.

Opium Den Raided in Dairen

A raid was made recently on an opium den in Dairen owned by one Liu Lin-tai, following the arrest by the police of a cripple, shuffling along the street with a corpse strapped to his back. When stopped for interrogation the cripple confessed that he had disposed of in similar fashion, no less than seven other cadavers, all of which were opium addicts who had died in the said den. Inquiries revealed the fact that Liu supplied the drug to his clientele as long as they had any money to pay for it, but as soon as their supply was cut off many of the more elderly died. Their bodies were then taken to the waterfront before dawn and dumped into the harbor.

Japanese Drug Smuggler as Murderer of British Consul?

Recent articles in Japanese papers intimate that Sennosuke Asai, former manager of the Amagasaki dance hall, may have been involved in the murder of the British Consul at Marseilles some three years ago. The murder has never been cleared up, but there has been reason to believe that Japanese drug smugglers were at the back of it. Asai, was once fined nearly a million yen for drug smuggling, and they police now recall that he was in France at the time of the murder. He has a long criminal record, and at the moment is wanted for blackmail.

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68-157

France and Germany Reply to Britain on Disarmament

Both France and Germany dispatched disarmament notes to Britain March 17. Couched in most friendly terms, the French Note stated that France is not opposed to the principle of disarming further if her security is not imperilled, but she is unable to accept the British plan, which would legalize German re-armament to the limit of French armaments without guaranteeing French security. What is needed, the Note declared is a European organization to prevent infractions of disarmament conventions and to suppress all aggression. The League of Nations is the sole organism capable of maintaining peace. If Germany returned to Geneva, it would be a proof of her good faith, and the discussion of disarmament could usefully continue.

The German memorandum was also couched in most conciliatory terms. It stated that Germany still believes that the prerequisites exist for an accord, and only determination is needed, and suggests that France seems to labor under misapprehension on several points. Germany's relations with the League may be discussed as soon as the disarmament question has been settled, the memorandum added. Germany sees two possible means of an agreement—either a five-year arms truce or an agreement for some measure of partial disarmament for a longer period.

Mussolini Makes a "Switzerland" Out of Austria

Success crowned Premier Mussolini's policy of preventing domination by any one great power or group of powers in Central Europe with the signature of the tripartite agreement by Italy, Austria and Hungary March 17. By the terms of this pact, Austria is bound to confer with Italy before making any move calculated to betray her independence, more especially through a union with Hitlerite Germany. There is an implied open character to the agreement, though, no specific invitation has been issued to other countries to subscribe to the pact. A big step forward in safeguarding Italian security has been taken by the creation of a "second Switzerland" in the form of Austria. Three protocols in all were signed governing concerted action on all political problems and a widening of the existing commercial conventions between Italy and the other two Powers.

Intense excitement was created in Danubian countries last week over the reported transportation of arms from Italy to Hungary. The reports were vehemently denied officially in Vienna but circumstantial stories persisted in alleging that two heavily-laden armament trains traversed Austria on March 8 and March 9 and reached Hungary.

An optimistic note was struck by the Lord Privy Seal, Anthony Eden, in a description of his recent tour of European capitals for the furtherance of disarmament in the House of Commons March 14. The respective views of France and Germany, he declared, were not easily reconciled, but until the complete cycle of replies to the British proposals had been received, it was premature to be pessimistic. His reply to the question as to whether it was hopeless to try to reconcile the views of the French and German viewpoints was a definite "No."

The British Government will not hesitate, to alter the British disarmament memorandum, even on a fundamental principle, declared Lord Stanhope, Under-Secretary of State for War, replying in the disarmament debate in the House of Lords March 15. As soon as the replies of the various nations have been received, he added, the British Government would lose no time in working out not merely a short-term but a long-term policy for the security and peace of the world.

Extra Sums Voted for Singapore Base

The House of Commons March 19 approved a vote on the navy estimates following discussions on the Singapore Naval Base, which was raised during the report stage of the estimates. Captain D.E. Wallace, Civil Lord of the Admiralty, stated that the sum to be spent in Singapore was below the original estimate, which, in 1923, was about £14,000,000. Extra sums (about half a million sterling) were voted for equipment and electrical works.

House of Commons Pass Army Estimates

Following a lengthy debate the House of Commons March 15 agreed to the Army Estimates for 1934 totalling £45,373,000, less £5,773,000 for appropriations in aid. The increase of £1,650,000 as compared with last year's estimates will be devoted to the modernization of coastal and other defences, the continuation of the program for the mechanization and building up of suitable reserve stores, the improvement of barracks, and to increasing training facilities.

A. Duff-Cooper, Financial Secretary to the War Office, in introducing the Estimates discussed the "tank." He said that it was the most formidable weapon in the world as improvements had been tremendous since 1918. It was impossible to foresee the effect of inventions on the next war. There was every indication, however, that the invention of bullets to pierce armor was progressing faster than bullet-proof armor. He pointed out that tanks might be valuable in Flanders, but they were not necessarily suitable in the Northwest frontier of India or in the swamps and ditches around Shanghai, where the Japanese found that tanks and armored cars were a hindrance to operations.

According to *Havas*, Mr. Duff-Cooper defined the four-fold role of the British Army, as follows:—To ensure the protection of naval bases; to defend certain frontiers and maintain order in certain territories—India, Egypt, and Sudan—where certain obligations have been assumed by Great Britain; to protect the British Isles,—the "arsenal of the Empire," and to constitute a force capable of fighting, in case of need, in foreign countries and in circumstances which it is impossible to determine beforehand.

The suggestion of Lord Hutchison (National Liberal), that a Ministry of Defense should be established to control the three fighting services, was rejected by Lord Londonderry, Secretary for Air, in the House of Lords March 14. It was humanly impossible for any man to carry out the intricate manifold duties of a Minister of Defense, declared Lord Londonderry. The better plan was, he said, a committee of Imperial Defense, composed of the Prime Minister and whoever he chose.

London Observer's Views on Definition of Aggressor

The London *Observer* reports that simultaneously with the confirmation of the Paris reply to the British Disarmament Memorandum, the Soviet definition of an aggressor will be discussed. The paper expresses the opinion that the acceptance by all powers of the Soviet definition will have a "definite psychological effect," and may place Japan in a dilemma—either to sign it or find herself isolated.

U. S. Embassy and Consular Staff in the Soviet Union

According to an article in the *Washington Post* the personnel of the American embassy and consular staffs in Moscow will include the following:

Ambassador, William Christian Bullitt, Philadelphia.

Diplomatic Staff:—John Cooper Wiley, Counselor, Indianapolis, now in State Department; Loy W. Henderson, Second Secretary, Colorado Springs, formerly at Riga; George F. Kennan, 3d, Secretary, Milwaukee, now at Moscow; Bertel E. Kuniholm, 3r., Secretary, Gardner, Mass., now in State Department.

Consular Staff: George C. Hanson, Consul General, formerly at Harbin; A. Dana Hodgon, Consul, now at Department; Harold Shantz, Consul, now at Nairobi; Angus I. Ward, Consul, now at Tientsin; Charles E. Bohlen, Vice Consul, now at Paris; Elbridge Durbrow, Vice Consul, now at Bucharest; Chief Clerk E. Lee Murray, now at Peiping.

Disbursing Officer George C. Minor, now at Paris, assisted by 12 clerks: Chauncey L. Simmering, Fred E. Waller, Phillip F. Cherp, Ane A. Kock, now at Helsingfors; Henry W. Antheil, Jr., Victor F. Sheronas, George J. Vukmanic, Bartley P. Gordon, Charles C. Skinner, Lucien H. Hurteau, Ellis A. Johnson, now at Dantzig; Tyler Kent.

All have been assigned to Moscow, and no attempt for the present will be made to establish other consulates with the possible exception of Vladivostok.

Chinese and Filipinos Riot in Manila

Serious rioting between Chinese and Filipinos occurred in several districts of Manila during the night of March 15 as a result of an altercation between a Chinese shopkeeper and a Filipino hoodlum. The infuriated shopkeeper attempted to stab the Filipino. No arrests were made but the affected districts were heavily patrolled by police the following day to prevent spreading of the disorders. Twenty Chinese were in hospitals suffering from wounds sustained during the riots.

British Boxer Indemnity Fellowship Examinations to Be Held in July

The Board of Trustees for the Administration of the British Boxer Indemnity has telegraphed to the chancellors of the four government universities in Peiping, namely, Tsing Hua, Peita, Pingta and Shihta, acceding to their request that the next annual fellowship examination of the Commission be held in Peiping and Nanking simultaneously. The examination is scheduled to be held on July 7, lasting five days. Several hundred Chinese university graduates are expected to sit for the examination. The number of successful candidates is limited to 31.

Shanghai Municipal Election Will Be Held March 26 and 27

The following candidates have been proposed and seconded for membership of the Shanghai Municipal Council for the Municipal year 1934 :—

Candidate	*Proposer*	*Seconder*
H. E. Arnhold*	A. W. Burkill	N. L. Sparke
A. W. Beaumont	A. de Carvalho	M. Heimendinger
J. W. Carney	P. S. Hopkins	C. E. Patton
C. S. Franklin*	A. Bassett	J. E. Swan
T. Funatsu*	G. Yasui	M. Yonesato
E. F. Harris*	N. L. Sparke	P. A. Cox
J. H. Liddell	A. D. Bell	A. W. Burkill
Brig.-General E. B. Macnaghton,*	N. L. Sparke	A. S. Henchman
P. W. Massey*	A. S. Henchman	N. Leslie
O. Okamoto*	G. Yasui	M. Yonesato.

*Members of present Council.

Messrs Carney and Franklin are Americans; Messrs. Funatsu and Okamoto are Japanese; Mr. Beaumont is a Belgian. The remaining five are British.

The poll will be opened on Monday and Tuesday morning, March 26 and 27, at 10 a.m. precisely, and will remain open for the convenience of persons desiring to vote from 10 a.m., and during the tiffin interval, until 3 p.m. Polling will take place at the Administration Building, No. 209 Kiangse Road, ground floor, and at the Hongkew Police Station.

There are nine of the above-listed ten to be elected.

Ministry of Communications on Trail of Dairen Mail Smugglers

Drastic measures are to be taken by the Ministry of Communications in order to suppress secret postal communications with the puppet state of "Manchukuo." According to a report of the Directorate-General of Posts evidence has been found of the existence of a postal agency in Shanghai which has been secretly forwarding mails between that city and Dairen.

It is alleged that the "Dairen Trading Company," sends special mail officers between Shanghai and Dairen on the Dairen Kisen Kaisha liners. Most of the letters they handle are destined for Europe via Siberia.

Sir John Simon Favors Revision of Chinese Commercial Agreement With Britain

In reply to a question in regard to the Chinese government's Note requesting revision of the commercial agreement, Sir John Simon, British Foreign Secretary, in a written reply stated in the House of Commons Mar. 19 that the note referred to the Treaty of Tientsin of 1858 and the Commercial Treaty of 1902. He stated that these Treaties contained important provisions which were out of date, and in order to secure conformity with actual conditions, new and equal reciprocal treaties should be concluded.

Milton D. Purdy Becomes President of China Finance Corporation

Milton D. Purdy, former Judge of the U. S. Court for China was elected President of the China Finance Corporation, Fed. Inc. U.S.A. at the meeting of the shareholders March 15. Harry F. Payne, Vice-President of the American Bank Note Company, sole survivor of the former board of directors, became vice-president and treasurer; W. B. Harrington, secretary. F. W. Sutterle, Sr., F. J. Schuhl and F. W. Sutterle Jr., did not offer themselves for reelection.

Japanese Oil Well-Diggers to Come to China

The Japanese Foreign Office is at present considering the dispatch of a party of Japanese well-diggers to Shansi province in China. The request to send well-diggers and drilling machines (according to *Rengo*) was recently made by a Chinese living in Tokyo, who is a mechanic in an automobile factory in Shansi province. Shansi was abandoned as an oil region by the Standard Oil Co in 1916.

Commander of "Zeven Provincien" Sent to Prison

Four months imprisonment and dismissal from the service for neglect of duty was the sentence imposed at the Hague, March 9 on Captain Eijenboom, commander of the battleship *Zeven Provincien* which was seized by mutineers off Sumatra last year.

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68-159

Japan to Introduce "Tariff Dictatorship"

Economic circles in Japan are much interested in a new bill having for its object the protection of trade. It is popularly known as the tariff dictatorship measure—as it is intended to cope with constantly changing trade policy abroad and give elasticity to tariff legislation in the country. It is even believed that had it been introduced earlier, Japan might have found her position easier in dealing with recent trade problems. The new measure, as its name designates, is aimed at the protection of Japanese commerce. Before taking any action, the Government, according to its provisions, is to study carefully why the other nations rejects Japanese articles, the actual effect of its action on Japanese trade and the possible repercussion the mobilization of the new law will have on the whole situation.

Influential circles in the Japanese House of Peers hold the view that the present session of the Imperial Diet will have to be prolonged, in view of the fact that a large number of important Government bills including the bills for revision of the Peace Maintenance Law and for the control of importation of foreign rice, are still to be voted upon.

Foreign Minister Predicts Economic Cooperation Between China and Japan

Replying to interpellations by Tokusahuro Takeda, a member of the Seiyukai party, during the session of the Japanese House of Representatives March 15. in connection with Japan's trade with China, the Japanese Foreign Minister, Mr. Hirota, is stated have declared that initiative steps are being taken by influential Chinese financiers for the discussion of trade problems between the two countries with Japanese business men. *Rengo* comments that Mr. Hirota's remark is attracting considerable attention in Japan in view of the fact that China's proposal will go a step further towards economic co-operation between China and Japan, which has been in a state of deadlock since the Manchurian incident.

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Negotiations on Nishihara Loans to Commence in Future

A recent message from Tokyo stated that negotiations between China and Japan with regard to the adjustment of Japanese loans to China, amounting to Yen 800,000,000, mostly the so-called Nishihara loans are expected to start shortly. Gen. Chiang Tso-ping, Chinese Minister to Tokyo, informed Japanese creditors March 14 that China would make a formal reply at an early date as to the best time to commence the negotiations which will be held in Shanghai. According to financial circles in Tokyo, once the adjustment of the loans is settled to the mutual satisfaction of both countries, Japan would be willing to invest still further in Chinese trade development.

Nanking Denies That Old Loans Will Be Discussed

According to a special telegram from Nanking to the *China Evening News*, a spokesman of the Ministry of Foreign Affairs denies that there is any truth in the report from Tokyo that China and Japan are contemplating the discussion of the question of the old loans.

Japanese Imports Show Excess During February

Japan's foreign trade during February showed an import excess of Yen 18,000,000, according to information received by the Commercial Counsellor of the Japanese Legation in China. The month's returns brought the total excess of imports for the first two months of the year to Yen 34,000,000, or 70 per cent iess than than that of the corresponding period of 1933. An excess in imports of Yen 2,000,000 also was reported for January in Japan's trade with China. The trade decreased by 18 per cent as compared with the corresponding period of 1933. Exports during the month to China amounted to Yen 7,990,000 while the imports to Japan were Yen 9,990,000.

Excess in exports, to the amount of Yen 2,300,000, however, was reported in trade with Manchukuo during January.

First-Class Destroyer "Wakaba" Launched

The first class destroyer *Wakaba*, 1,400 tons, was launched at the Sasebo Naval Dockyard March 18. The Japanese Navy now has altogether seventy first-class destroyers, while three more of the similar type are in course of construction.

Japanese to Fish Under Navy's Guns?

The Russo-Japanese fishery controversy is still hanging fire. Unless a compromise is reached immediately, Japanese operators will have to give up the hope of acquisition of new grounds this year. The *Osaka Jiji* says that the Foreign Office is resolved to adhere to its original policy. In the event of Japan's fishery right being endangered, the Department will seek the assistance of the Navy authorities for their protection. It further learns that the Japanese Government wishes to prohibit open sea fishing so as to control the industry.

Seven Japanese fishermen, whose motorboat drifted to the Batanes Islands on February 12, were brought to Manila for investigation. They were placed in the custody of the Japanese Consul-General pending probable deportation proceedings.

Late Major Kuga to Be Enshrined Next Month

The late Major Noboru Kuga who committed suicide in Shanghai following the cessation of hostilities between China and Japan in Shanghai in 1932, holding himself responsible for the retreat at Kiangwangchen of Japanese forces, will be enshrined in the Military Shrine at Kudan, Tokyo on the occasion of the special festival of the shrine in April.

72 Bodies Recovered from "Tomotsuru"

Altogether 72 bodies of the members of the crew were recovered from the ill-fated torpedo-boat *Tomotsuru* by March 15. Twenty-eight men and officers are still unaccounted for.

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Foreign Chambers in Japan Did Not Vote in Favor of Manchukuo Recognition

It now turns out that previous reports that the Foreign Boards of Trade at Kobe and Osaka had put themselves on record as favoring recognition of Manchukuo by their respective governments, are incorrect. The story was set afloat by Japanese newspaper reporters, who made it appear that certain remarks made at the meeting had been adopted by the Board—and although half-hearted corrections were made by some of the Japanese newspapers, none of them made a fair report of the matter in the end.

The false story as disseminated in Japanese newspapers and telegrams was that the foreign Chambers had put themselves on record as favoring recognition of the Manchukuo government. Dr. W. A. Campbell of the Hongkong Bank was quoted as having asked as to how foreign residents in Japan should act with regard to the Manchukuo situation. It has now been shown that this particular Campbell was not present, having been confused with W. W. Campbell. Remarks made by the chairman, E. W. James, who gave it as his personal opinion that recognition would undoubtedly be given sooner or later, and that it had better be given sooner rather than later were made to appear as having been adopted in a motion by the Chamber. The Chamber as such took no action.

Change of Personnel in Tokyo Foreign Office

Following the recent change in the organization of the Japanese Foreign Office bureaus, detaching the American Affairs Section from the Bureau of European and American Affairs and making it an independent office in the style of the American Affairs Bureau, some changes in personnel are envisaged.

Kaname Wakasugi, formerly Consul General in San Francisco, has been appointed to the post of First Secretary of the Japanese Legation in China, succeeding Shoichi Nakayama, who will be transferred to Hamburg.

Ichiro Ohta, Third Secretary of the Japanese Legation in China, departed from Shanghai March 21 to take up the post of senior secretary in the Bureau of Asiatic Affairs in Tokyo.

Seattle Ammonia Plant Being Shipped to Shanghai

A recent dispatch from Seattle, Washington, stated that the Pacific Ammonia Chemical Co. plant in Seattle will be dismantled and moved to Shanghai. The plant was recently sold by the DuPont Powder Co. to unidentified buyers. Officials of the company refused to comment on the sale other than to say that the sale had no connection with the departure of Major W. F. Spring of Cleveland, Ohio, from Vancouver, B.C., to Shanghai, where he is reputedly commissioned to build an acid chemical plant.

International Labor Bureau Investigator Arrives in China

Fernand Maurette, Assistant Director of the International Labor Bureau at Geneva, arrived in Nanking March 17, accompanied by Messrs. Chen Tsung-cheng and Li Hsi-mou, respectively Director of the China branch office of the International Labor Bureau and special representative of the Ministry of Education. M. Maurettee at the Executive called Yuan, and in the absence of President Wang Ching-wei, was welcomed by Dr. Chu Min-i, Secretary-General of the Yuan. The Geneva official also called on Dr. Wang Shih-chieh, Minister of Education. M. Maurette's trip to China is to investigate cultural, educational as well as labor conditions in the country. He will proceed to North China next week.

Huge Strike Looms in the United States

A huge strike looms in the United States as a result of the united opposition of steel manufacturers against the Administration-supported bill providing for the establishment of a permanent national office of labor in which representatives of the American Federation of Labor would figure. The industrialists claim to see in the creation of such an agency a threat of dictatorship.

More Workers, But Not More Work

In an analysis of the radical changes experienced by labor in the United States last year, the National Industrial Conference Board (an economics and statistical group sponsored by large industrial interests) declares that the National Industrial Recovery Act, launched in June, failed to increase the amount of work done in manufacturing industry and that it simply distributed the "given work, somewhat less at the end of the year, among a larger number of individuals."

U.S. Business Men Expect Increase in Far Eastern Trade

The export managers and foreign credit men of the United States at their annual convention in New York Mar. 13 expressed optimism that America's trade with China would show a sharp increase in future. The opinion was generally expressed that further action to enhance the price of silver was probable, but opinion was divided as to the probable effect upon China. It was generally agreed that China would be affected to a greater degree than India.

Rebuff for President Roosevelt—Senate Refuses to Ratify Canadian Treaty

By 46 votes to 42 the Senate March 14 refused to ratify the treaty with Canada providing for the construction of the St. Lawrence Waterway at a cost of $200,000,000. This is decidedly a rebuff for President Roosevelt who says that the Waterway will be built anyway, but he fears that the Senate's action will result in its being entirely Canadian controlled.

U. S. Revenue Returns Far Ahead of the Estimates

One of the most encouraging signs on the economic horizon is the hugely increased total of income tax returns, the Secretary of Treasury, Henry Mogenthau reported March 16. He told President Roosevelt that income tax returns are running far ahead of the estimates and appear to be larger than at any time for the past three years. Income tax collections for the first fourteen days of March amounted to $48,588,589 as compared with a mere $20,422,339 at a corresponding time last year.

New Communications Bill to Stipulate American Control

President Roosevelt informed the various political leaders in Washington, March 17 of the Congress' wish that the new bill on communications should include a clause stipulating that companies transmitting wires abroad must be American concerns. It has also been decided that, as a trial, 80 per cent of the stocks of wireless and telegraph companies should be held by Americans.

Direct Lending to Business Suggested by R.F.C.

The chairman of the Reconsturction Finance Corporation March 15 submitted to the Senate Banking Committee the draft of a bill authorizing the Corporation to lend money direct to industrial and commercial concerns for a period up to five years. The bill also authorizes the R.F.C. to take part in or assume responsibility, up to 75 per cent, of bank loans for industrial and commercial purposes.

The creation of intermediate credit banks providing long-term capital for industry was recommended March 19 by President Roosevelt in a message to Congress.

U. S. War Department Carries Mails on Nine Routes

The U. S. War Department resumed carrying mails on nine routes March 20—this being only half the number of routes operated previously under private contracts. The eleventh Army flier to meet his death during the two weeks since the Army began carrying mails was Lieut. Richards, whose plane crashed in a test flight March 18 in Wyoming

Tuna Fish Agreement With U. S. Packers Proposed

The Japanese tuna industry has offered to reduce its annual export of Japanese packed tuna to the United States from 700,000 to 500,000 cases in exchange for concessions from the American industry.

Ford Restores Minimum Wage

The Ford motor company March 13 announced the restoration of a daily minimum wage of $5. This order affects 47,000 men.

Lindbergh Declines to Serve on Air Mail Committee

Colonel Charles A. Lindbergh has declined to serve on the committee of three appointed by Secretary of War Dern to

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CUSTOMS NOTIFICATION NO. 1345

With reference to Customs Notification No. 1,330, notifying that import duty would be levied as from the 16th December, 1933, on foreign rice and paddy imported from Kwangtung, Kwangsi and Fukien provinces, the public is now informed that, in accordance with Government instructions, import duty will be levied as from the 15th March, 1934, on foreign rice and paddy imported into the province of Fukien at half the existing import tariff rates and that, in the event of foreign rice and paddy being reshipped from Fukien to other provinces where the full import duties on rice and paddy are now in force, the balance of the duties will be collected by the Customs at the port of destination.

H. O. TONG,
Superintendent of Customs.

A. C. E. BRAUD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 16th March, 1934.

investigate the Uuited States air mail services. He declared March 15 that the use of the Army to carry mail was unwarranted and was unjust to all air lines whose contracts had been cancelled by President Roosevelt without trial.

How Diplomats Suffered from Depreciated Currency

A vivid description of hardships suffered by American diplomatic officers abroad, because of the Federal pay cut and the shrinkage of the dollar on foreign exchange, has been given to the House of Representatives by its Appropriations Committee. One suicide, a case of insanity, several nervous breakdowns, actual lack of money for food, threadbare clothes, children kept out of school and other deprivations, were described by Wilbur Carr, Assistant Secretary of State, in urging a larger appropriation for his department.

⁂

New Philippine Independence Bill Passed by House

The House of Representatives, March 19, passed the Tydings-McDuffie Philippine Independence Bill under suspension of rules requiring a two-thirds majority vote. The measure provides for the independence of the Philippine Islands within 12 to 13 years and contains modifications which were demanded by the Philippine Independence Mission, headed by Senate President Manuel Quezon, now in the United States. The previous independence measure, known as the Hare-Hawes-Cutting Bill, was rejected by the Philippine Senate last year and officially died on January 17 of this year.

Anglo-Japanese Textile Discussion Broken Off

The conversations which had been proceeding in London between the delegations representing the British and Japanese textile and artificial silk industries were definitely broken off March 14. The Japanese delegates hinted that they would leave England and return to Japan via America.

The breakdown in the conference is increasing the distress in Lancashire, according to Walter Runciman, President of the Board of Trade.

The Japanese delegates to the Anglo-Japanese cotton negotiations in London March 15 paid an official call on the Japanese Ambassador Mr. Matsudaira, and reported on the course of events leading up to the rupture to the textile talks. The Japanese Ambassador later called on Walter Runciman, President of the British Board of Trade.

In connection with the failure of the Anglo-Japanese textile talks in London a spokesman of the Japanese Foreign Office March 15 stated that although the authorities were not officially informed of the break of the conference, it was a natural result considering the attitude taken by Lancashire industrialists towards the parleys. He expressed the view that he was not sure about the reported transfer of the textile talks from the hands of Lancashire and Japanese industrialists to both the British and Japanese Governments. It was intimated by the spokesman that Japan had no intention to open official negotiations with the British Government unless approached by the latter.

Immediate action against Japanese competition was demanded of the British government at a meeting March 16 of representatives of all the members of the Lancashire Chamber of Commerce. The special Lancashire committee on Japanese competition, uniting delegates of the cotton and artificial silk industries, unanimously approved the policy of the British delegates during the recent abortive Anglo-Japanese parleys.

Attributing the responsibility for the rupture of the textile conference solely to Lancashire's "one-sided demands," the Japanese press and industrialists March 16 expressed regret that an agreement was not reached. The hope was expressed in Tokyo that the Japanese delegates would withdraw from the negotiations in a most amicable manner so that Anglo-Japanese diplomatic relations would not be affected. Some cotton manufacturers in Tokyo suggest that a group of British operatives be invited to visit Japan and personally observe cotton trade conditions in the country.

Japan Skeptical of Results of Official Conference

Following the failure in the Anglo-Japanese textile talks among the representatives of industrialists from both countries, which had been proposed by the British concerns, the British Government is reported to be trying to hold an official conference between the two countries. The Japanese view is that if such talks were confined to the British Empire and its territory, the British Dominions and dependencies being under their own governments, any agreement that would be reached between the two countries would not be applicable to these places, without the approval of these autonomous governments; therefore, such conference, if held, would not bring about any desired result to Japan.

Indian Legislative Assembly Discusses Agreement With Japan

After a debate lasting four days, the Legislative Assembly at New Delhi, March 16 decided to refer to a select committee the Textile Protection Bill, which, gives effect to the Indo-Japanese and Bombay-Lancashire agreements.

Sir Joseph Bhore, a member of the Governor-General's Executive Council, speaking for the Government, emphasized the political effect of the Lancashire agreement, and hoped that it would not be neutralized by the criticism of the House. Referring to the Indo-Japanese agreement, he declared that it was welcomed by the country, as it had given them a three years' breathing space, in which Indian cotton-growers should remedy their existing vulnerability.

English Automobile Manufacturer Sees Yellow Commercial Peril

Lord Nuffield, formerly Sir William Morris, English automobile manufacturer, in an interview at San Pedro, California, March 11, warned all white nations that they must join in a world trade agreement to protect themselves against the inroads of cheap Asiatic products. "Japan, particularly," he said, "has an economic goal of worldwide conception for her cheap products."

⁂

Japanese Bureaus Abroad to "Feel Economic Pulse of the World"

With the announced purpose of "feeling the economic pulse of the world," the Japanese Government is planning to send officials of the Ministries of Finance, Commerce and Industry, and Agriculture and Forestry to important commercial centers where they will establish permanent information bureaus. London, New York, Shanghai and Bombay are among the cities to be covered by this new kind of industrial and financial investigation.

U. S. House Passes Silver Measure by Two-Thirds Vote

By a more than two-thirds majority the House Mar. 19 passed the Dies Silver Bill authorizing the Treasury Department to accept silver from foreign countries at prices above the market price in exchange for American agricultural surpluses. The vote is a triumph for the Congressional silver bloc. The action of the House was the first definite split between Democratic silver forces in Congress and President Roosevelt. Led by Speaker Rainey himself, long an ardent Administration supporter and considered often as a "spokesman" for the White House, the silver bloc in the House overran the opposition of Secretary of the Treasury Morgenthau, if not President Roosevelt.

Following announcement that Prof. James H. Rogers would be sent to China as a money expert, Senator Wheeler commented that his appointment was the "height of asininity." "How can Professor Rogers get any real picture of the effect of higher silver prices in the Orient?" he asked. "Ninety per cent of the Chinese are illiterate and the manufacturers are piling up huge fortunes as a result of low-priced silver!" His feelings were echoed by Senator King from Utah, who declared that the proposed trip was an affront to the Senate Foreign Relations Committee. Professor Rogers could not get any information not now in possession of the Senate, he declared.

⁂

China May Increase Export Duty on Silver

The adoption of the gold standard by China for the purpose of coping with the rising price of silver has been suggested in banking circles in Shanghai. However, the *Chen Pao* says the Chinese Government has no intention of adopting the gold standard, owing to the lack of gold in China. It is emphasized in certain quarters that the only way to remedy the situation is to increase the export duties on silver since the declaration of an embargo on silver is out of the question. All leading bankers in Shanghai shared this opinion and they are making a formal proposal to the Finance Ministry, shortly, advocating an increase in this export duty.

The London Silver Agreement, which has been approved by the Central Political Council and the Legislative Yuan (with a reservation) will be ratified by the National Government shortly.

Shanghai Has Over Half a Billion in Silver

The vaults of Shanghai banks and the Central Mint are storing $560,105,000 worth of silver, according to statistics compiled by the research department of the Bank of China. Chinese banking institutions own $284,585,000, or 50.81 per cent; foreign banks, $275,520,000 or 49.19 per cent.

HOPEFUL ELEMENTS IN CHINESE ECONOMIC LIFE

(*Continued from Page 139*)

awareness of community of interest and common action is heartening. The desire for better things must always precede reform. The task is to guide such an expression to allow it to achieve the maximum good for those whom it represents and to restrain it from adopting some short-circuited panacea for rural ills. In 1931 a Farmers' Union Organization Law was approved by the Central Government.

Significant also is the attempt to organize on a national scale control boards for cotton, cereals, particularly rice and wheat, silk and coal, cooperating with the National Economic Council and Rural Rehabilitation Commission. The difficulties here are indeed tremendous but the inauguration of these agencies reflects a realization of the necessity for a national approach to fundamental questions, in this case commodities of vital relationship to economic stability. More complete information, the promotion of coordinated effort between production and sale, the increased application of science in procedure and assistance in formulating national economic policy are important contributions hoped for here.

China's internal markets are broadening in scope and area. The lack of communications and transportation, high internal costs arising out of the facilities available, lack of adequate marketing and financing organizations have caused China to lack a broad national market, internally interdependent. But changes are coming here. The increase in foreign trade in the last ten years, (although foreign trade is now slackened) has caused foreign goods to find their way farther into the interior, and accordingly wider areas have been drawn upon for export. The increasing unfavorable balance of trade is causing China to ponder how much of that might be prevented by a broader "Buy Chinese" policy, by further realization of what China has within her own borders, for her own people, to be yielded by her own labor. China cannot look for complete self-sufficiency but she could be more self-sufficient than she is. Even granted that more self-sufficiency might occur China stands to gain by the foreign trade which she does allow. Foreign business men have confidence in China's future, in spite of what to some appears as a policy of withdrawal. The foreign investment which now exists has been based upon hope and even now further investment is going on quietly based upon new hope. The greater use of Chinese as employees in foreign firms is itself a hopeful sign and can work to break down the barriers which have existed in this field.

The development of highways, particularly in the last seven years, has linked market areas more closely. The gradual reform and stabilization of currencies and the increased and wider use of bank notes have assisted. The improvement in telegraphs, air transport and air mail post are to be noted. The possibility of achieving a more closely knit internal economy is being realized by the commercial world and by certain divisions of the Government. There are 40,000 miles of improved highway now, with double that amount planned and possible in another five years. If this is done and if there is a gradual extension of rail facilities and an improvement of present mileage and operation, if rivers are protected and canals improved this internal market can become a tremendous economic fact for China if for nobody else. Quite apart from foreign trade, China's greatest economic potentiality is her own internal market.

(*To be continued*)

Silk Weavers on Strike Use Dr. Sun's Portrait as Shield

Striking workers of the Mayar Silk Weaving Factory to the number of about a thousand laid siege March 19 to the headquarters of the Second District of the Bureau of Public Safety in West Gate, using a picture of the late Dr. Sun Yat-sen as "shield" to prevent possible action by police officers. The demonstration was made to secure the release of an arrested worker. When the latter was released on shop security, the demonstrators fired firecrackers in a jubilant celebration and put their "hero" of the day in a waiting motor car. He was sent away with the picture of the late Kuomintang leader. The worker in question was arrested the previous Saturday night at Lee Yuen Road as a suspected Communist. He was taken to the Nantao headquarters for investigation when the striking workers, learning of the incident, besieged the Second District Police Station, in which Liu's home is situated, to obtain his release.

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All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.

Who's Who in China

(with Supplement)

The standard edition of *Who's Who in China*, published in 1931, has now been brought up to date through the publication of a 200-page supplement. The two books contain the pictures and biographical sketches of the leading men and women of affairs, in government service, business and the professions.

It's the only work of the kind in the English language, is fully indexed in both English and Chinese and most of the sketches contain the latest addresses in addition to information pertaining to date and place of birth, education, careers, etc.

No business office, home, school or public library is complete without *Who's Who in China* giving complete information about the leading men and women of affairs in the Chinese Republic.

If you already have the standard edition published in 1931, order the Supplement only. If not order both books. The prices in Chinese silver or U. S. currency, including postage are as follows:

	(In China)	(Abroad)
Standard Fourth Edition (1931)	$10.00 Ch.	$11.50 Ch. or U.S.$4.00
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68-163

Marshal Chang's Northeastern Generals Establish Headquarters in Southern Honan and Hankow

(From the Review's Correspondent in Hankow)

With the return of Marshal Chang Hsueh-liang from his conference with Generalissimo Chiang Kai-shek, chairman of the Military Affairs Commission at Nanchang, Kiangsi, speculation is rife as to the next moves of the Young Marshal. The foreign advisor to Marshal Chang, W. H. Donald in an interview with the press stated that he would establish his headquarters as Deputy Commander-in-Chief of the Bandit Suppression Forces in Sinyang, southern Honan province, about 150 miles north of Hankow on the Peking-Hankow Railway.

Marshal's Brother to Join Him

General Chang Hsueh-ling, brother of General Chang Hsueh-liang, who returned to China from Europe recently on the S.S. Conte Verde is joining his bother in Hankow.

Madam Chang due in China April

Madam Chang Hsueh-liang is returning from her sojourn in Europe on the Lloyd Triestino liner Conte Rosso, due in Shanghai April 2.

Hopei Chairman in Hankow

One of the leading Northeastern army leaders, General Yu Hsueh-chung, chairman of the Hopei provincial government, arrived in Hankow from Peiping on Sunday afternoon, March 19. At the call of the Young Marshal a military conference of importance is in progress.

Northeastern Generals Confer With Marshal Chang

The whole northwestern situation and the military and political measures to be taken in dealing with rebel General Liu Kwei-tang's fleet-footed roaming hordes in southern Honan and with the forces under the hard-necked rebel General Sun Tien-ying in Ninghsia. It may also be that the immediate plans of Japan in the North China area have had a disquietening effect on the erstwhile Manchurian generals and that they are preparing a nest in the south before being compelled to evacuate by the logical outcome of future events. Judging by the threats and innuendos of unofficial Japanese, there can scarcely be any doubt of the desire on the part of official Japan to seize the reigns of power in North China in the not too distant future. No doubt this has its repercussions in the reactions of the various military groups in and around Peiping and Tientsin. Besides General Yu of Hopei, the following Northeastern high military commanders are at present in Hankow: Generals Wan Fu-lin, Ho Chu-kuo, Wang Yi-che.

Northeastern Troops for Southern Honan

Rumors are persistent to the effect that Northeastern troops formerly stationed in Manchuria, are already being removed from the Peiping area to territory along the southern part of the Peiping-Hankow Railway.

Donald, Marshal Chang's Advisor Discloses Plan

The coming of the Young Marshal Chang Hsueh-liang to the Wuhan area should not be conceived as the herald of impending political changes. The only purpose of the Young Marshal is to serve his country to the best of his ability without any thought of selfish aggrandizement for himself or for his Northeastern colleagues.

In the near future Marshal Chang Hsueh-liang, Deputy Commander-in-Chief of the Bandit Suppression Forces of Honan, Hupeh, and Anhui, will proceed to visit strategic centers in Hupeh and Honan to encourage his men in their struggle against bandits and communists. General Ho Chen-chun, Hupeh Pacification Commissioner, left last Thursday the 15th of March for Siangyang via Huayuan to inspect the government forces along the Hupeh-Honan border, which has been threatened lately by the ravaging troops of rebel General Liu Kwei-tang, some of which have been reported around Nanyang and Sinyeh districts, south-western Honan. General Hsu Yuan-chuen has left Shasi by airplane for Siangyang. Another group of Liu Kwei-tang's forces are near Chowkiakow, east of the Peking-Hankow Railway, 75 miles south of Kaifeng.

On being asked regarding the allegation of Sir Reginald Johnston relative to the enthronement of Pu Yi as being a Chinese-Manchu project pure and simple dating back as far as 1923 and not a Japanese plot, Mr. Donald averred that that was pure nonsense. He was surprised that Sir Reginald Johnston in his declining years should engage in fiction writing. W. H. Donald, a native of Australia and an early associate of Dr. Sun Yat-sen, was formerly advisor to the late Marshal Chang Tso-lin, father of the Young Marshal.

New British Minister Visits Hankow

Besides being feted by the British community of Hankow, the Hon. Sir Alexander Cadogan, K.C.M.G., C.B., on his first visit to this center was welcomed by the Chinese officials and citizens. He *Hankow Herald* (English language, Chinese-owned daily) editorial for March 13th expresses the attitude of the modern thinking Chinese in this area relative to the foreign nations. A few extracts will suffice to illustrate this attitude: "Here in Hankow, Sir Alexander is on the spot which was the storm center during the Nationalist Revolution of 1927 when the Sino-British relationship passed through one of its most trying periods. But he will not fail to notice the marked improvement of such relationship since the signing of the Chen-O'Malley Agreement by which Great Britain surrendered the concession to Chinese administration and removed the constant thorn to Sino-British relationship. . . . . .

That the policy of friendly attitude and sympathetic understanding of Great Britain to the many difficult problems of this country has been a wise one, is proved by the equally friendly attitude of the Chinese to things British, the steady improvement of British trade and the enhancement of British prestige. . . .

Sir Alexander in his journey up here has had occasions to express his readiness to cultivate goodwill and friendship with the Chinese and to deal with the problems in China with sympathy and openmindedness. We have every hope that such expressions will be fulfilled during his tenure of office in this country."

Hankow, March 19, 1934.

Dr. W. W. Yen Calls on Soviet Ambassador in Nanking

Dr. W. W. Yen, Chinese Ambassador to Soviet Russia, who arrived in Nanking, March 15 from Tientsin almost immediately visited M. Bogomoloff, Soviet Envoy to China. Their conversation lasted for 40 minutes. Dr. Yen later proceeded to Kiangsi to see General Chiang Kai-shek.

Dr. Yen in an interview deplored that the people of North China do not seem to be as much concerned over the fate of the nation as their compatriots in the South. He was however grateful for the help extended to him by various public bodies in China during the discussions of the League of Nations at Geneva on the Sino-Japanese conttoversy, by furnishing reports about Japanese aggression in China. M. Bogomoloff, Soviet Ambassador, called on President Wang Ching-Wei, on the same date.

Union Club Proprietary Ltd. Issues Statement of Accounts

The statement of accounts of the Union Club Proprietory, Ltd. to be presented at the fifteenth general meeting of shareholders at the Union Club of China 27 Peking road, Shanghai, on Tuesday March 27, shows that the Proprietary's income for the year under review amounts in all to the sum of $4,195.31, which with $20,107.50 carried forward from the previous year, makes a total gross surplus of $24,302.81. The amount of expenditure amounts to $669.23, leaving a net surplus of $23,633.58. Investments were reduced by the redemption during the year of Tls. 3,500 worth of S. M. C. Debentures at par, thus realizing a profit of Tls. $622.37.

In pursuance of the Articles of Association Messrs. N. F. Allman and T. G. Drakeford retire at the forthcoming meeting, and being eligible offer themselves for re-election.

Dr. Davidson Black Dies Suddenly at Peiping

The death occurred during the night of March 15 of Dr. Davidson Black, at the age of 49, head of rhe department of anatomy at the Peking Union Medical College and director of the cenozoic laboratory of the Geological Survey of China, but better known for his important scientific work in connection with "Sinanthropus Pekinensis," otherwise known as the "Peking Man." Death was due to heart failure. For years he had had in the habit of working during night and sleeping by day. He died in his chair sitting at the desk. Dr. Black was a Canadian, the son of a Toronto barrister.

Who's Who in China

鄧宗瀛號中瑩
Tsoong Inug Dunn (Teng Tsung-yin)

Mr. Tsoong Inug Dunn, Government official; born in 1892; native of Kiangsi province; B.A. (Wisconsin) 1914; M.A. (Columbia) 1916; passed Diplomatic Examination in 1919; member of Ministry of Foreign Affairs since 1919; secretary of Chinese Legation in Peru and concurrently Chinese consul-general at Lima 1925-1928; secretary of the Ministry of Foreign Affairs of the National Government, 1932; promoted senior secretary of the same Ministry since 1933; address: Ministry of Foreign Affairs, Nanking.

鄧宗瀛號中瑩，江西人，年四十二歲，一九一四年美國韋斯康辛大學學士，一九一六年哥倫比亞大學碩士，一九一九年參加外交官考試及格任職外交部，一九二五至二八年任比魯中國公使館祕書兼立馬中國總領事，一九三二年任外交部祕書，一九三三年升任外交部簡任祕書。

Posts and Telegraphs to Be Operated Jointly

A set of measures has been announced by the Ministry of Communications providing for the establishment of joint post and telegraph offices in certain districts so as to save expense and at the same time to facilitate communication with out-of-the-way areas. All post and telegraph offices of the third class or lower grades are to be jointly housed in one and the same office hereafter. In trade centers where the post office maintains a number of branch offices, it is provided that in each of these branch offices there be establised a counter for the receipt of telegraph messages. Likewise, it is also provided that where the telegraph office maintains branch offices for the receipt or delivery of telegrams, branches of the post office shall also be opened in the telegraph offices.

According to statistics of the Ministry of Communications based upon the latest investigation made, the number of postal workers in the country—the three Northeastern provinces not included—totals 24,491. Of this number, 4,517 are clerks, 3,856 assistants and 16,118 postmen.

First Chinese Missionary to Mongolia Starts for New Field

The first Chinese missionary to Mongolia, Ren Ta Ling, recently proceeded from Shanghai to North China, according to an announcement made by Rev. T. E. Tong, general secretary of the Chinese Home Mission Society. Mr. Ren is a graduate of the regular course of the Theological Seminary of the University of Shanghai. The university and seminary held a farewell reception for Mr. Ren and decided to support him and the Chinese Home Mission Society. Mr. Ren is going to Kalgan first, where he will join others to go to the interior of Mongolia.

Official Denial of Sale of Timor Island

The Portuguese Legation in Tokyo March 14 officially denied the report appearing recently in the London *Sunday Dispatch* in connection with the intention on the part of the Portuguese Government to sell half of Timor Island in the East Indies, as entirely untrue and groundless.

So Pretty - - - But So Delicate!

Womanly beauty does not only lie in the fineness of the features; a pretty face is deprived of much of its charm if it lacks freshness and vivacity, that radiancy which indicates the presence of ample, rich red blood, the fountain source of happy, healthy being.

Many young women and girls whose charm of face and figure evokes envy and admiration in their friends owe their looks to Dr. Williams' Pink Pills, the world-famous blood builder and nerve tonic. For example take this case in Canada:—

Saying that she lacked spirit and energy, a pale young Canadian office-worker recently

HAD HER BLOOD TESTED

by a physician. This test indicated an anaemic condition, as the haemoglobin content of the girl's blood was only 60%, instead of 90% to 95% which is normal for a woman, and her red blood corpuscles count was only 3,700,000, instead of a normal count of 4,800,000.

THE PHYSICIAN EXPLAINED

that the red corpuscles carry throughout the blood stream the haemoglobin, which conveys the life-giving oxygen from the lungs and nutriment from the digestive organs to every cell in the body, thereby building tissues and clearing the system of poisons. Hence the health can be normal only if the haemoglobin and red corpuscles are sufficient.

To increase the haemoglobin and red corpuscles, the physician prescribed

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After a month's treatment the young woman returned for a second blood test. This test showed a remarkable improvement in her blood stream—she felt full of energy and vigor.

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ONLY A FEW COPIES LEFT

The *Review* still has on hand a few copies of the following books dealing with Pacific and Far Eastern Affairs:

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THE CHINA WEEKLY REVIEW

88 Avenue Edward VII
Shanghai

68-165

Men and Events

J. F. Malone, dealer in American leaf tobacco, is departing shortly on a business trip to the United States.

It is reported that the Hangchow Government is planning to build a race course and golf links in the city.

Preparations are being made by the Hankow Municipal Government for the establishment of a native goods emporium.

Ting Yueh-san, inventor of an automatic sewing machine, has been granted patent rights for five years by the Ministry of Industry.

A fire broke out at Hankow March 15 destroying the famous Wanshou Temple (Temple of Longevity), one of the relics of the Ching Dynasty.

The Ministry of Finance announced that the total number of silver dollars coined in February by the Central Mint, Shanghai, amounted to 3,900,000.

Eight Japanese warships which came to the Shoushan Island off Hangchow from Shanghai staged a sham battle around the Island on March 13 and 14.

The Hangchow Department of Reconstruction has received a contribution of $1,000 from General Chiang Kai-shek, for the repair of the Liu Ho Pagoda at Zakow.

The death occurred Roqueboune, France, March 14, at the age of 74, of Sassoon Benjamin, the founder of the stock-broking form of Benjamin and Potts, Shanghai.

Sir Alexander Cadogan, the new British Minister to China, proceeded to Nanking aboard the a British gunboat March 16. He had been in Hankow since March 12.

Dr. W. W. Yen, Ambassador to Moscow on furlough, proceeded to Nanchang, provincial capital of Kiangsi, during the week to confer with General Chiang Kai-shek.

Negotiations for direct exchange of postal parcels between the U.S.S.R. and China are reported to be in progress between representatives of the Postal authorities of the two countries.

Tang Yu-jen, the Vice-Minister of Foreign Affairs, proceeded to Peiping during the week to urge General Huang Fu, Chairman of the Peiping Political Council, to make a trip to Nanking.

A fire which occurred last week end in the room of an apartment house in the east city of Peiping occupied by a Korean family, caused five deaths, including a seven-day-old infant.

An exhibition of Chinese Art Objects was held at the Nantao Christian Institute, Great East Gate, Chinese City, March 17 to March 19. The exhibits included scrolls, fans, paintings, pictures, and photographs.

A conference of motion-picture leaders will be convened in Nanking, March 23 and 24 by the Central Party Publicity Committee to discuss measures for the improvement of the native motion-picture industry.

Due to the heavy indebtedness of the Hangchow Waterworks and the depleted state of the Municipal Treasury, it is reported that Mayor Chou Hsiang-hsien has decided to raise a loan for $2,500,000

The French Government having raised the import duty on tea from 3.64 to 7.75 francs per kilogram, effective on April 1 the Chinese tea industry is being considerably affected. France's annual imports of Chinese tea amount to about a million dollars.

The total production of salt in China amounted last year to 37,394,000 piculs, according to a statistical report of the Salt Revenue Administration. Shantung province and the Huaipei district are the two leading salt-producing areas.

T'eng Sheng-yuan, wealthy overseas Chinese from Rangoon, was kidnapped by bandits while he was crossing the river to Kulangsu from Amoy on a ferry boat on the night of March 17. It is reported that the kidnappers are demanding a ransom of $200,000 for his release.

George R. Coleman of New York, vice-president of Elbrook, Inc., is now in China on a business trip and is making his headquarters in Shanghai. Elbrook, Inc., is extensively engaged in the manufacture of Chinese carpets and woolen goods at Tientsin.

Bruce Barton, author of "The Man Nobody Knows," and more recently the head of an advertising agency in New York, passed through Shanghai during the week on the Dollar liner *President Jackson* on a trip round the world accompanied by his wife and danghter,

Intensification of the atheist war in Russia against religion was ordered March 12 by M. Yaroslavsky, President of the Society of Militant Godless. M. Yaroslavsky declared that Christmas last year was celebrated more than usual, and some closed churches had reopened.

It is reported that the National Economic Council is planning to establish a branch office in Szechuen. T. V. Soong, member of the Standing Committee of the Council, has telegraphed General Liu Hsiang, Commander-in-Chief of the Szechuen Bandit suppression forces, requesting him to make the necessary arrangements.

At the tiffin meetiug of the Y's Men's Club in Shanghai, March 19, T. L. Shen, Principal of Medhurst College, delivered an address on "China in 1936," in which he stressed the fact that it was impossible for China to remain neutral in the case of war. The speaker was introduced by L. T. Chen, President of the Club.

In memory of the late Dr. Sun Yat-sen, the Standing Committee of the Central Executive Committee at its 113th meeting March 15 decided to offer a cash award of $50,000 to any physician, of whatever nationality, who discovers a cure for cancer in the liver, the disease which caused the death of Dr. Sun.

A recent *Associated Press* dispatch from New York stated that Frank Buck, who captures animals alive, had arrived from Southern Asia and the East Indies with an injured leg and an announcement that he had captured an Indian male rhinoceros, one of the most valuable animals in the world, and that it would probably be turned over to the St. Louis zoo.

The *Norviken*, belonging to the British firm of Jardine, Matheson & Company, was pirated near Turn-About Island, just south of Foochow, March 3 when 22 pirates suddenly appeared from amongst the passengers and overpowered the officers and crew. After systematic looting of the vessel and her passengers the pirates finally left, taking with them 10 Chinese passengers for ransom.

Victor Keen, correspondent in China for the New York *Herald Tribune*, is now in Europe on his way back to Shanghai following several weeks in the United States. He is planning to return by way of Russia and the Trans-Siberian railway. While in the United States Mr. Keen delivered several addresses dealing with conditions in the Far East. Mr. Keen's home is at Pueblo, Colorado.

Prof. Henry Landes of the University of Washington will again conduct another "Dragonland" Cruise to the Orient in the summer of 1934. The party will sail from Seattle on June 23 on the *Pres. Jackson*, arriving in Yokohama on July 6. The intinerary includes Yokohama, Tokyo, Nikko Miyanoshita, Kyoto, Nara, Beppu Miyajima, Seoul, Mukden, Peiping, Nanking, Soochow and Shanghai.

Edward Hunter, staff correspondent for Hearst's *International News Service*, has returned to his post at Paris following a trip to the United States. Mrs. Hunter and their son, who have been in New York for several months are also returning to Paris shortly. Mr. Hunter formerly was engaged in newspaper work in the Far East, in Tokyo and Peiping, but more recently in Manchuria where he covered the Japanese intervention.

Six foreigners and a Chinese woman faced various courts in Shanghai March 19 as result of a raid carried out by the International Settlement police at an alleged gambling house at 2 Young Allen Court, Chapoo Road, on the night of March 17. G. E. Nonois, Italian, is charged with having operated the gambling house. A young Greek named Koras jumped from a window and sustained injuries that required his being taken to hospital.

M. C. Gillett of the British Consular Service in Hankow departed recently for Chungking on the first stage of an unusual route to England on home leave. From Chungking he will continue his journey up the Yangtze by small steamer to Ipin, and from there travel overland by chair and motor bus through Yunnan to Burma. Rail service will carry him across Burma to some port from which he can take ship to England.

The Fourth Marines are in receipt of information that Brigadier General Frederick L. Bradman, U.S.M.C., has been ordered to Shanghai. General Bradman is scheduled to sail from Los Angeles by the Dollar steamer *President Polk* on March 26 and is due to arrive in Shanghai about April 23. The exact nature of his duties after arrival has not been disclosed nor has any change in the present organization of the Fourth Marines as yet been indicated.

The *Bulletin of International News* for Feb. 1, published by the Royal Institute of International Affairs, London, stated that the British and American commercial treaties pertaining to exterritoriality in China expired as follows: British treaty on July 28, 1933 and American treaty on Jan. 13, 1934. Both governments have been officially notified by the Chinese Government of the expiration of the treaties and a request has been made that negotiations be opened for the drafting of new treaties.

Work on the Unknown 'Heroes' Monument, designed to perpetuate the memory of Chinese officers and men who lost their lives in the Sino-Japanese hostilities three years ago, is be started in the near future. The monument will be situated at Miao-hang, (between Shanghai and Woosung) scene of the fiercest battles fought between the Chinese and Japanese armed forces. The monument was designed by Dayu Doon, architectual advisor to the City Government of Greater Shanghai, and will cover an area of more than 30 mow, situated on the side of the road linking Chapei and Tazang.

Dr. C. Y. Wang recently spoke before the Hankow Rotary Club on "Problems in the Industrialization of America China." He said that industrialism depends upon four main factors: the supply of minerals at hand, the mental aptitude of a race for machine craft, political stability, and definiteness in economic policy The actual and potential mineral wealth of China before the present world depression, said the speaker, was about 2.3% that of the world, and 4.7% that of the U. S. A. China, however, possesses exportable surplus of such minerals as antimony, tungsten, and tin, producing, indeed, 60% of the world supply in antimony and tungsten.

68-166

EVENTS OF THE WEEK IN REVIEW

(*Continued from Page 127*)

Canton for a tour of investigation to Europe and America March 19. They expect to return to China after six months.

Gens. Li Tsung-jen and Pai Tsung-hsi are sparing no efforts to train up a first class army in Kwangsi. Besides purchasing additional airplanes, they have employed a number of experts from Germany to assist in the manufacture of arms and ammunition and a sum of $1,000,000 has been set aside for the improvement of the Kwangsi arsenal.

Gen. Tsai Ting-kai, Commander of the former 19th Route Army, is still at Hongkong, according to a Hongkong telegram March 18. The reports that he had gone abroad or that he had left for western Fukien to reorganise the remnants of his troops, are both incorrect.

***

Japanese Again on Move in North

Under the pretext of protecting Jehol against irregular troops of Gen. Fan Chen-wu and of the dismissed Division Commander, Chang Jen-chieh, of Chahar Army, the Japanese Garrison in Eastern Chahar has been considerably increased, while the 500 Japanese soldiers of infantry which recently arrived at Kuyuan are making preparations for permanent stationing, according to a Peiping telegram, March 14. Gen. Sung Chi-yuan, Chairman of Chahar, has hurried back to Kalgan from Tientsin to devise measures for coping with the situation.

Rear-Admiral Tsadu, Director of the Third Department of the Japanese Ministry of Navy, who has been on a tour of investigation in East and Central China, arrived at Peiping March 13 from Hankow. He called on Gens. Ho Ying-ching and Huang Fu on March 14.

Tang Yu-jen, Vice-Minister of Foreign Affairs, arrived at Peiping March 14 and conferred with Gen. Ho Ying-ching and Gen. Huang Fu. While the mission of his trip is not known, it is generally believed that it is in connection with negotiating for the settlement of certain Japanese issues in North China. The Japanese *Rengo* agency reported that Mr. Tang came to Peiping to pursuade Gen. Huang Fu not to resign from his post. This has been denied by the Ministry of Foreign Affairs, as Gen. Huang never had any intention of resigning. It is said that Mr. Tang's family are in Peiping and that the Vice-Minister's visit was to attend to private matters. Mr. Tang, in a press interview on March 15, denied reports that China and Japan are proceeding with the negotiation of a commercial treaty. Mr. Tang is now in Tientsin.

Municipal Athletics Committee Formed in Nanking

A Municipal Athletics Committee was formally organized in Nanking, Mar. 14, with Dr. Wang Shih-chien, Minister of Education as Chairman. Among those present were Tuan Hsi-peng, Political Vice-Minister of Education, Chu Min-i, Secretary-General of the Executive Yuan and an exponent of native gymnastics. The Chinese National Athletics Federation was represented by Dr. C. T. Wang, Dr. Chang Po-lin and Messrs. Shen Sze-liang and Hao Keng-sheng.

Dr. C. T. Wang, chief delegate to the forthcoming Far Eastern Olympic Games in Manila, and Shen Sze-liang made a detailed report on the preparations for participation in the Olympics. The meeting, among other things, decided to open a summer school for physical culture this year.

Dr. Tadacki Yamamoto, Professor of Engineering, Waseda University and a representative of the Japan Athletic Association in Tokyo, who arrived in Manila on March 17, to open formal negotiations with the Philippines officials in connection with the participation in the forthcoming Far Eastern Olympic Games in Manila of the Manchukuo athletic delegates, has approached the Philippines authorities proposing the holding of a round-table conference of China, the Philippines and Japan at the earliest possible date with a view to solving the question of Manchukuo participation in the Olympiad.

Central Film Censorship Board Is Reorganized

The Central Film Censorship Board, jointly organized by the Ministries of Interior and Education, has been reorganized and placed under the direction of the Film Direction and Guidance Committee of the Central Party Publicity Committee. The Executive Yuan, at a recent meeting, appointed Lo Kang Chairman of the Censorship Board. Other members of the Board are Messrs. Fu Yen, Wang I-lin, Chiang Chen, Lu Chiao-wu, Liu Tsu-chi and Tai Tse. Staff members of the original Board have been retained.

CUSTOMS NOTIFICATION NO. 1346

The public is hereby notified that, in accordance with Government instructions, round-the-world cruise steamers carrying no cargo will henceforth be assessed tonnage dues at half the rate fixed for ordinary vessels.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 16th March, 1934.

CUSTOMS NOTIFICATION NO. 1348

1. With reference to General Office Notice of 15th January, 1932, in regard to the registration at the Customs of merchants and Customs Brokers, the public is hereby notified that the instructions embodied in this Notice have been modified as far as the registration of merchants is concerned, as follows:

All firms and individual applicants, Chinese and foreign, will as from the 1st April, 1934, be required to register or re-register at the Custom House in accordance with the following rules:

Rule 1. Applications for first registration shall be endorsed:—

(a) for Chinese applicants, by reliable persons or by organizations or firms well known to the Customs;

(b) for foreign applicants with extraterritorial rights, by the relative Consular authority and,

(c) for foreign applicants without extraterritorial rights, by reliable persons or by organizations of firms well known to the Customs.

Rule 2. Re-registration shall be effected annually in the month of January, when new applications for registration must be presented at the Custom House. For re-registration, endorsement of applications will not be necessary.

2. The registration of Customs Brokers remains unchanged; and the registration of seals and signatures is not affected by the new procedure.

3. On and after the 1st April, 1934, all firms which have not re-registered in accordance with the terms of this Notification will be considered as unregistered and must effect complete new registration before any applications will be accepted from them.

4. The Annual Guarantees executed by shipping companies are not affected by the present Notification.

5. Forms of application for registration may be obtained from the Registration Desk in the General Office.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 20th March, 1934.

C H I N A ' S
G E O G R A P H I C
F O U N D A T I O N S

A Survey of the Land and Its People

BY GEORGE B. CRESSEY

CHINA'S GEOGRAPHIC FOUNDATIONS supplies information for those seeking an understanding of population problems, social and economic changes, possible industrialization, and future international developments. Tables and charts provide a large amount of authoritative data. The large number of photographs and maps form a comprehensive pictorial presentation of Chinese life and problems. *(A McGraw Hill Publication).* M.$12.

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THE CHINA WEEKLY REVIEW

38 Ave. Edward VII
Shanghai.

New Books of Interest in the Far East

Physical and Historical Foundations of the Modern Far East

China's Geographic Foundations: A Survey of the Land and Its People, by George Babcock Cressey; published by McGraw-Hill Book Company, Inc., New York City and London.

A History of the Far East in Modern Times, by Harold M. Vinacke; published by F. S. Crofts & Company, New York City.

Both of these volumes are valuable additions to any reference library on the Far East, but that of Dr. Cressey is so important that it can only be properly described as *indispensable.*

Dr. Cressey, formerly associated with the University of Shanghai and now chairman of the department of geology and geography of Syracuse University, has not only summarized all that has previously been known about Chinese geography, but he has added much to available information by his own investigations during 30,000 miles of travel in this country,—and the result is the first truly scientific and comprehensive survey that has ever been published on the physiographic aspects of the Celestial realm as a whole. That this task should have been left to a foreigner is, indeed, striking, but the Chinese have never been outstanding in exploring even their own land, and many areas of the country are far better known to westerners than to the natives. Dr. Joseph F. Rock, for example, is far more familiar with the province of Yunnan than any Chinese of the past or present.

It is impossible to do justice to Dr. Cressey's book in a review of any reasonable length; the entire volume must be read—and studied—to appreciate it fully. Although consisting of only 394 pages, it tells all the essentials, insofar as they are known, of the geographical scene of Cathay, and until considerable more scientific exploration is conducted, it will doubtless remain the standard book on the subject. In his first six chapters, Dr. Cressey gives a view of the country as a whole, and in the 15 succeeding chapters are descriptions of the chief geographical sub-divisions: the North China plain, the loess highlands, the mountains of Shantung, Liaotung and Jehol, the Manchurian plain, the mountains of eastern Manchuria, the Khingan mountains, the central Asiatic steppes and deserts, the central mountain belt, the Yangtsze plain, the red basin of Szechwan, the South Yangtsze hills, the southeastern coast, the hills of Liangkwang, (Kwangtung and Kwangsi), the southwestern tableland, and the Tibetan borderland. It will be noted that he includes the whole of the ancient Celestial empire from the Amur River to the Gulf of Tonkin and from Russian Turkestan to the China Sea.

Contrary to some observers, Dr. Cressey regards all parts of China as populated to the limit under existing conditions. "Merely to state," he says, "that six-sevenths of the population are concentrated in one-third of the area is to give the impression that the population problem is largely one of maldistribution. The fact is that two-thirds of the country has the capacity to support a population of only one-sixth as great as the remaining third. All parts of China are essentially filled to their capacity under available methods of production.....For all of agricultural China there are an average of 1,479 people to each square mile of cultivated land. Fishing and herding may locally supplement the food supply, but the bulk of these people must obtain their entire livelihood from the products of the soil. Such a concentration is more graphically appreciated when it is realized that 1,479 people per square mile of cultivated land means an average of only 0.43 acre per person."

Discussing Chinese agricultural methods, Dr. Cressey says they may be intensive and efficient in terms of acre yields, but the productivity achieved "is the result of laborious cultivation which is very wasteful of human effort." He adds, however, that although scientific farming, engineering skill and orderly government could improve the situation, "the outstanding problem seems to be that China has too many people—not too many, perhaps, for bare subsistence, but certainly too many for a standard of living comparable to that of agricultural Europe."

In common with other scholars, Dr. Cressey is not very optimistic about the industrial future of China. "Without coal and oil for power, iron and copper for construction, limestone for cement and as a flux, and sulphur for sulphuric acid," he cites, "a nation is distinctly handicapped in this modern age. It has often been vaguely assumed that China was bountifully supplied with all these, and it will come as a surprise to many to learn that her supplies of oil, iron, copper, and probably sulphur are distinctly limited. Enormous stores of coal are present and there is no lack of limestone, but in the absence of iron it is difficult to see how industry can develop." Dealing further with oil, he says there is no basis in facts to assume any appreciable supply is available although "this deficiency may not be so serious as formerly anticipated, for commercial methods of

obtaining gasoline from coal are available and China may in the future obtain her liquid fuel from coal supplies."

Generally, however, Dr. Cressey is far from pessimistic on the future of China. He points out as truly remarkable that Chinese trade has constantly expanded ever since 1911 despite the virtually never-ending civil disorders and interrupted communications. In a passing note on the Japanese seizure of Manchuria, he opines that "whether or not China can secure political and economic dominance in the immediate future is another question, but of the eventual outcome there appears little doubt. All geographic signs would seem to point to China as the ultimate political, industrial and cultural power in the Orient." Celestial patriots will doubtless be glad to know that they at least have geography on their side, but one might venture to suggest the possibility, although not necessarily the probability, that if the recent course of history continues long enough, the China of the future may not be ruled by the Chinese.

Dr. Cressey includes an excellent sketch of the economic side of Shanghai in his book. "Few cities in the World," he says, "have so large and potentially rich a hinterland. Shanghai is the natural outlet for the rich Yangtsze Valley with an area of 750,000 square miles and a population os 200 million people, one-tenth of the human race. While their per capita output and purchasing power are still low, the aggregate is enormous and increasing. . . . Shanghai has three principal functions: commercial, industrial, and cultural. The first of these grows out of its geographic situation and is permament. . . . In the field of industry Shanghai has only cotton and silk to draw upon locally. . . . Insofar as raw materials are more available in other parts of China, Shanghai's manufacturing operations may be expected to proportionately decline; but in those fields where imported products or skill plays a part, Shanghai will grow industrially. The cultural significance of the city is large and increasing, and it should long remain the chief intellectual gateway to the new China."

The purely human aspects of China are not ignored by Dr. Cressey, and he presents much data on what might be well described as the sub-human standards of living of the peasant and coolie classes. This reviewer is especially pleased to see some of his own impressions of Yunnan confirmed by Dr. Cressey. "Despite the splendid climate of the region (Yunnan)," Dr. Cressey says, "the inhabitants, both Chinese and non-Chinese, are apathetic and backward. The poverty of the people is in striking contrast to the resources of nature and the picturesque scenery. On account of the dullness of the Yunnanese, most business is in the hands of merchants from Szechwan." Here Dr. Cressey is slightly in error; far more merchants, at least in Yunnanfu, are Cantonese than Szechwanese. Continuing on Yunnan, Dr. Cressey estimates that two-thirds of the cultivated land is devoted to opium-production during the winter season and that 90% of the men and 60% of the women in Yunnanfu are addicted to opium smoking; these figures are somewhat higher than those obtained by the reviewer during his investigation of the province last summer.

Minor, but inconsequential errors, such as the one noted in foregoing paragraph, may be found now and then in Dr. Cressey's book. The most glaring is in his excellent physiographic diagram at the end which shows a railway all the way from Hanoi to Nanning; the railway does not extend quite to the Kwangsi border although the French probably plan for it to enter the province eventually. But as a whole the book is not only entirely trustworthy insofar as the reviewer is able to determine, but it is also extremely readable and beautifully illustrated.

Dr. Vinacke, who is professor of international law and politics at the University of Cincinnati, essays to present a concise history of the Far East from the beginning of the western invasion a century ago to the present year, and on the whole he succeeds quite well, at least chronologically, although his analysis, particularly of events in recent years, is not outstanding. But at times he is exceedingly penetrating, especially in dealing with the first Sino-Japanese war.

"To say," he records, "that the course of the war surprised all but the informed few, is to put it mildly. China did have an inexhaustible supply of men, but she had no modern army worthy of the name, and her navy, on paper greatly superior to Japan, proved entirely unable to cope with the Japanese navy. Japan had thoroughly reorganized and modernized her fighting services, from the standpoint of both training and equipment. Nothing less than the best she could get had satisfied her. China, on the other hand, had reorganized part of her military establishment, but had been satisfied with inferior instruction and equipment, the difference in cost between old and discarded weapons and the newer types of armament going to line the pockets of officials and their friends from Li Hung-chang down. Consequently the greater resources of China proved to be more than neutralized by the superior training of the Japanese and better weapons with which they were supplied. The difference in training was especially noticeable in the leadership of the Japanese forces on both land and sea. They were masters of modern tactics and strategy. China was further handicapped by the feeling south of the Yangtsze River that the war was the private affair of Li Hung-chang, or, at the most, of the north. The southern Chinese navy refused to participate in the struggle, and the governors whose territories were unaffected failed to upport the Imperial cause.

In the United States Court for China

In re.	Cause No. 3633
LAST WILL AND TESTAMENT of JOHN ROBINSON DICKSON Deceased	Special Proceedings No. 943 NOTICE Filed at Shanghai, China February 26, 1934 William T. Collins, Clerk. L. T. Kenake, Asst. Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOHN ROBINSON DICKSON, deceased, to present the same with vouchers to the undersigned on or before September 2nd, 1934, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

CHARLES M. MEYERS,
Treasurer of THE CHINA MISSIONS
Board of Foreign Missions of the
Presbyterian Church.

Shanghai, China.

February 26, 1934.

In the United States Court for China

In the matter of Change of Name of, JACOB ADE POLONETZKY.	Cause No. 3638 S. P. No. 946 NOTICE

Notice is hereby given that Jacob Ade Polonetzky, an American citizen residing in China, has filed his petition in this Court praying for authority to change his name to JACOB ADE POLLON.

Any person interested may, on or before March 31, 1934, offer and show cause to said Court why the said petition should not be granted.

William T. Collins,
Clerk,
United States Court for China.

"The Sino-Japanese war marked a reversal in the relative positions of China and Japan in the Far East. Before the war the western nations had respected the potential if not the actual power of China, and had patronized Japan. After 1895 but scant respect was paid to the Chinese Empire.... The stock of Japan, on the other hand, took a sudden rise.... The war marked the reception of Japan as an adult member of the society of nations. No longer could the West dictate the terms of its intercourse with her.... Nevertheless the war... did not leave Japan a primary force in the Far East. The Great Powers were led to respect her but not to concede her a determining voice in continental politics. She was taught her place for the time being by the Three-Powers' intervention in favor of China."

Thus Japan had to wait until 1931 before she could get away with what she started in 1894.

In dealing with the present period, Dr. Vinacke somewhat overestimates the potency of Chinese nationalism in the face of the Red movement that has inspired close accord between foreign imperialists and native bourgeoisie to protect their many common interests. In saying that "the *sine qua non* of peace in the Far East is Sino-Japanese friendship and understanding," Dr. Vinacke is assuredly correct, but many straws in the Oriental monsoons cast doubt on his conclusion that "recent Japanese policy has erected almost an unsurmountable barrier to that friendship with the detachment of Manchuria from China." Nevertheless, his book is an excellent reference volume for facts and it can also be recommended to beginning students of Far Eastern affairs. W.B.

Real Estate Report by Realty Investment Co.

Many times you hear the question as to when Chapei will come back? The best way to answer the question is to go North on Honan Road into Paoshan Road. You will notice first the improved surface of the street itself and as you go on you will see evidence of new building on all sides. Certainly the nearness of this section to the center of the city compels the present improvements. Improvements in Nantao contiuue apace with those in Chapei. The waterfront in Nantao is probably the most active and interesting.

New Building: The largest building permit granted during the week is for the corner of Route de Say Soong and Avenue Joffre, the plans are for an apartment house and 31 semi-foreign houses.

Another small apartment of 3 stories will be built on Rue Ratard, East of Cardinal Mercier.

A group of 16 Chinese Hongs off Ferry Road, near Penang Road.

A large block of shops are being demolished at the corner of Peking and Tibet Roads. This will first provide for a necessary road widening and the new shops will add greatly to an important center.

NEGLECTED GIRLS

In almost any ballroom you will find girls sitting out, whilst others, who are not so physically attractive, never lack for partners. What is the cause of this?.....often it is offensive breath, one of the commonest though least suspected results of intestinal inactivity.

There really is no excuse for this social offense, for a regular daily cleansing of the food tract will keep the breath sweet and pure. An occasional dose of Pinkettes ensures this. These dainty little laxative pills are non-griping and non-habit-forming, and assist nature in the gentlest way to maintain regularity which is essential to health.

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The National City Bank of New York, Rates of Exchange
Shanghai, March 21, 1934

Demand selling rate on America:	U.S.$100=Sh. 289.33
Demand buying rate on America:	U.S.$100=Sh. $286.22
Demand selling rate on London:	£1 0 0.=Sh. $14.771
Domand rate on buying London:	£1.0.0=Sh.$14.541

68-170

Latest New York Stock Exchange Quotations

Market—Firm — Business Done 1,540,000 Shares
March 21, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Mon. Mar. 19	Tue. Mar. 20
13¾	3	—	Adams Express	9⅜	9¾
38	11⅛	0.60	Alaska Juneau	20½	20⅞
160	70¾	6.00	Allied Chemical & Dye	147½	150
107⅛	19½	4.00	American Can	96	97
19⅜	5⅞	—	American & Foreign Power	9⅝	10¼
44⅞	7¼	—	American & Foreign Power 7% Pfd.	Unq.	Unq.
158½	23⅝	5.00	Amer. & For. Power 5% debs. of 2030	50¼	50½
27¼	3⅛	—	American Metal Company	22½	22½
53⅞	10¾	—	American Smelting	41¾	42⅛
134¾	86½	9.00	American Tel. & Tel.	117¼	118½
94¾	50¾	5.00	American Tobacco "B"	68½	69⅛
43¼	10⅞	1.00	American Waterworks	20¼	20⅞
80	35	6.00	American Waterworks $6 preferred	Unq.	73¼
22⅞	5	—	Anaconda Copper	14¼	14½
18⅝	5⅞	—	Atlas Corporation	13	13¼
84¼	31	2.00	Auburn Automobiles	51	52
37⅞	8¼	—	Baltimore & Ohio	28⅝	29⅝
49½	10⅝	—	Bethlehem Steel	40⅜	42
37⅞	18	1.60	Borden Company	22¾	23
28⅛	5⅛	0.25	Borg Warner	24	25
20⅞	7¼	—	Canadian Pacific Railway	16½	17¼
103½	30½	—	Case, J. I.	68½	70¾
47⅞	16⅝	1.40	Chase National Bank	26¾	27
52⅞	14⅞	2.50	Chesapeake Corporation	39½	40
59	7¾	1.00	Chrysler Corporation	50	52¼
46¼	25	5.50	Cities Service Power & Light 5½s/52	42½	42⅝
28⅛	9	0.50	Columbia Gas & Electric	15⅛	15¾
6⅛	1⅜	—	Commonwealth & Southern	2⅝	2¾
64⅞	34⅛	3.00	Consolidated Gas of N. Y.	38⅝	39⅛
20½	4⅞	—	Continental Oil	17⅛	18⅛
9	2⅝	—	Coty Inc.	7	7¼
5⅞	1½	—	Curtiss Wright Company	4⅛	4¼
102¾	32⅛	2.00	Du Pont de Nemours	93⅝	96
93¾	46	3.00	Eastman Kodak	88¼	89
41⅝	10	—	Electric Bond & Share	16⅞	18⅛
66¾	25	6.00	Electric Bond & Share $6 preferred	Unq.	46¾
15⅞	3½	—	Electric Power & Light	7¼	7½
19¾	12	—	Fox Film "A"	14⅝	15
10¾	2⅞	—	General Aviation	6½	6¼
30¼	10½	0.40	General Electric	21⅛	21⅞
39⅞	21	1.50	General Foods	33	33½
41⅞	10	1.00	General Motors	35⅛	37⅝
49⅞	13¼	1.00	General Railway Signal	42¾	42
27⅞	12	1.20	Gold Dust	19½	19⅝
47½	9¼	—	Goodyear Tire & Rubber	36	36½
40	6½	—	International Cement	29¾	29½
46⅛	18⅝	0.60	International Harvester	40	41⅝
27¼	6¾	—	International Nickel	25¾	26⅞
21¾	5⅛	—	International Tel. & Tel.	14	14⅝
69½	20⅛	4.50	Int. Tel. & Tel. conv. 4½s of 1939	65½	68¼
65¼	21¼	—	Johns Manville	55½	56
26	7⅜	—	Kennecott	19	18¾
79⅞	37½	2.40	Lehman Corporation	Unq.	71½
99⅝	40½	4.00	Liggett & Myers "B"	87¾	88½
36½	8½	1.00	Loew's Inc.	30⅞	31½
25¾	10⅜	1.20	Lorillard P. (Com.)	16¾	17
35⅞	8⅝	—	Montgomery Ward	31	31⅞
64⅛	16⅞	1.00	National City Bansk (bid price)	28¾	28¾
41⅝	5⅝	—	National Distiller	27⅜	28¼
60½	34	5.00	New England Grs & Electric 5s 1947	54	54
58½	14	—	New York Central	35	36¾
36½	12¾	8%S	North American	18⅝	19
96¾	31½	2.00	Owens Illionois Glass	83½	85¾
31⅞	15	1.00	Pacific Gas & Electric	19¼	19½
6⅞	1⅜	—	Packard Motors	5⅝	5¼
42½	12¾	0.50	Pennsylvania Railroad	33½	34
6⅝	1⅛	—	Pennroad Corporation	3	3⅛
19½	4¾	—	Phillips Petroleum	17¼	17¾
12¼	3	—	Radio Corporation	7⅝	7¾
54¼	26½	3.00	Reynolds Tobacco "B"	40⅝	40¼
50⅞	12½	—	Sears Roebuck	46¾	47⅞
19½	6	1.00	Socony-Vacuum Corporation	16½	16¼
28	14¼	2.00	Southern California Edison	18¼	18¾
22½	5⅛	—	Standard Gas & Electric	12⅝	13
77	35	6.00	Standard Gas & Elec. 6% notes 1935	Unq.	Unq.
49¾	22¾	1.00	Standard Oil Co. of N. J.	44½	45¼
60¾	46	3.80	Sterling Products	53¼	53¾
9	1½	—	Studebaker	7⅛	7⅛
30⅛	10¾	1.00	Texas Corporation	25¾	26
9⅜	2⅝	0.12	Transamerica	6⅞	6⅞
51⅞	19¾	1.00	Union Carbide & Carbon	43	43
132¾	61¼	6.00	UnionPacific	125¾	125¾
46⅞	16½	—	United Aircraft & Trans.	23½	23⅞
14½	4⅛	—	United Corporation	6¾	6⅝
25	14	1.20	United Gas Improvement	16⅞	16⅞
25	2⅞	—	U. S. Rubber	18⅝	19⅜
67½	23⅜	—	U. S. Steel	49¾	51¼
51½	21½	2.00	Universal Leaf Tobacco	45	46
28⅝	7⅝	—	Vanadium	25½	26⅝
9⅛	1	—	Warner Bros. Pictures	6½	6⅝
58¾	19¾	—	Westinghouse E. & M.	37	37½
53½	25⅛	2.40	Woolworth	50½	50½

*Plus extras — CALL MONEY 1% 1%

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